

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 15, 1993

To: Board of Directors (Organization and Personnel Committee--Action)

From: General Manager

Subject: Resolution Providing for Increase in Contributions to Medical Plan Maintained by Public Employees' Retirement System

Report

The Memoranda of Understanding to be executed between the General Manager and the Management and Professional Employees Association (MPA), the Field Supervisors and Professional Personnel Association (Supervisors Association), and the Association of Confidential Employees (ACE) provide for an increase in Metropolitan's contribution to the cost of medical insurance provided District employees by the Public Employees' Retirement System (PERS) under the provisions of the Public Employees' Medical and Hospital Care Act (Act). Unrepresented employees and employees represented by the Employees' Association will receive the same increase provided to these associations. The Act and the regulations of the PERS Board of Administration require equal coverage and contributions for eligible annuitants.

Commencing August 1, 1993, the increases will provide a maximum monthly contribution of \$227 with respect to an employee or annuitant enrolled for self alone; a maximum monthly contribution of \$431 for an employee or annuitant enrolled for self and one family member; and a maximum monthly contribution of \$574 for an employee or annuitant enrolled for self and two or more family members. This represents an increase of \$16, \$32, and \$43, respectively. These rates are based on increases in the PERS medical rates which became effective on August 1, 1993. The new rates for PERS-CARE, the PERS self-funded preferred provider organization, increased an average of 7.9%. Such increases have resulted in higher out-of-pocket costs to many of Metropolitan's employees. The net increase in medical costs for Metropolitan based on this action will be \$16,568 for the 1993/94 fiscal year. The reason this increase is minimal is due to the fact that the majority of Metropolitan's employees are enrolled in health maintenance organizations, and the average rates for these plans dropped .2% effective August 1, 1993.

September 15, 1993

Administrative Code Section 6522, which deals with medical contributions for unrepresented managers, will require amendment to reflect this change. The changes are shown in Attachment "A" by strikeover and underscoring.

This action is exempt from provisions of the California Environmental Quality Act because it can have no possible effect on the environment.

Board Committee Assignments

This letter is referred for action to the Organization and Personnel Committee because of its authority in determining matters of interest affecting employee benefits, pursuant to Administrative Code Section 2471(c).

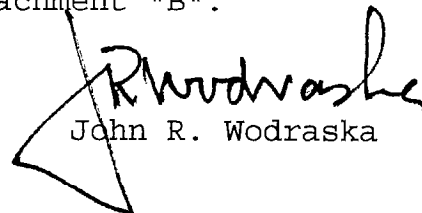
Recommendation

ORGANIZATION AND PERSONNEL COMMITTEE FOR ACTION.

It is recommended:

1. That the Board adopt the attached resolution reflecting Metropolitan's contributions to the medical plans maintained by the Public Employees' Medical and Hospital Care Act for all employees and annuitants, said increases to be effective August 1, 1993 through July 31, 1994.

2. That Section 6522 of the Administrative Code be amended to read as shown in Attachment "B".


John R. Wodraska

BL/dc
Attachment

S:1161bo.b

RESOLUTION FIXING THE EMPLOYER'S CONTRIBUTION
UNDER THE PUBLIC EMPLOYEES' MEDICAL
AND HOSPITAL CARE ACT

WHEREAS (1) Government Code Section 22825.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act, and

WHEREAS (2) The Metropolitan Water District of Southern California is a local agency contracting under the Act;

NOW, THEREFORE, BE IT RESOLVED that from August 1, 1993 to July 31, 1994, the employer's contribution for each employee and annuitant shall be the amount necessary, when added to the employee's or annuitant's contribution, to pay the full cost of the employee's or annuitant's enrollment, including the enrollment of the employee's or annuitant's eligible family members, in a health benefits plan or plans up to a maximum of:

<u>Code</u>	<u>Bargaining Unit</u>	<u>Contribution Per Month</u>		
		<u>One Party</u>	<u>Two Party</u>	<u>Three Party</u>
01	Unrepresented	\$227	\$431	\$574
02	Employees Association	\$227	\$431	\$574
03	Field Supervisors and Professional Personnel Association	\$227	\$431	\$574
04	Management and Professional Employees Association	\$227	\$431	\$574
05	Association of Confidential Employees	\$227	\$431	\$574

Adopted at a regular meeting of the Board of Directors of The Metropolitan Water District of Southern California at Los Angeles this 21st day of September 1993.

Signed _____
Michael Gage, Chairman

Attest _____
Karen Dorff, Executive Secretary

ATTACHMENT A

6522. Medical Insurance.

The District's monthly contribution for employees in classifications listed in Section 6500 and related annuitants to the medical plans maintained by the Public employees' Retirement System under the provisions of the Public Employees' Medical and Hospital Care Act shall be as follows:

For plans in effect on ~~August 1, 1992~~: August 1, 1993:

Employee or Annuitant Only	\$211	<u>\$227</u>
Employee or Annuitant Plus One Dependent	\$399	<u>\$431</u>
Employee or Annuitant Plus Two or More Dependents	\$531	<u>\$574</u>

ATTACHMENT B

6522. Medical Insurance.

The District's monthly contribution for employees in classifications listed in Section 6500 and related annuitants to the medical plans maintained by the Public employees' Retirement System under the provisions of the Public Employees' Medical and Hospital Care Act shall be as follows:

For plans in effect on August 1, 1993:

Employee or Annuitant Only	\$227
Employee or Annuitant Plus One Dependent	\$431
Employee or Annuitant Plus Two or More Dependents	\$574