

APPROVED

By the Board of Directors of  
The Metropolitan Water District  
of Southern California  
at its meeting held

7-10



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

NOV 14 1995

*Karen E. Dwyer*  
EXECUTIVE SECRETARY

October 25, 1995

**To:** Board of Directors (Organization and Personnel Committee --Action)  
**From:** General Manager  
**Subject:** Resolution Providing for Changes in Contributions to PERS Medical Plans for the General Employees Unit

**RECOMMENDATION:**

It is recommended that the Board adopt the attached resolution increasing Metropolitan's contributions to the medical plans maintained by the Public Employees' Retirement System (PERS) for employees and annuitants in classifications within the General Employees Unit (AFSCME Local 1902), said changes to be effective on a retroactive basis to August 1, 1995.

John R. Wodraska  
General Manager

Submitted by:

*Izetta E. Birch*  
Izetta E. Birch  
Director of Human Resources

Concur:

*John R. Wodraska*  
John R. Wodraska  
General Manager

DLW/jlw  
(s:1242bo)

**EXECUTIVE SUMMARY:**

Effective August 1, 1995, monthly premium rates for the medical plans maintained by PERS increased. Metropolitan's employer contribution increased on August 1, 1995 for all employees except those in classifications within the General Employees Unit based on negotiated collective bargaining agreements. PERS-Care is the only medical plan offered whose increased premiums require a significant employee contribution. Employees in the General Employees Unit who reside in remote areas such as Gene Village do not have the option of joining another medical plan and have therefore been required to pay the increased premium since August 1, 1995. It has been suggested that this unique situation unfairly impacts such employees and due to its small annual costs, the inequity can be resolved immediately. Additionally, in order to facilitate the ongoing contract negotiations with the General Employees Unit, management's negotiating team agreed to this change in order that such employees not be required to pay these increased premiums any longer. As the increased contributions were provided to all other employee groups at Metropolitan effective August 1, 1995, a retroactive increase for employees in the General Employees Unit is recommended.

**DETAILED REPORT:**

The Memoranda of Understanding executed between Metropolitan and the Management and Professional Employees Association, Field Supervisors and Professional Personnel Association, and Association of Confidential Employees included increases in Metropolitan's contribution toward the cost of medical insurance provided to employees under provisions of the Public Employees' Medical and Hospital Care Act (Act). Metropolitan's unrepresented employees were provided matching contribution changes. The regulations of the PERS Board of Administration require that annuitants be provided the same contribution as the active employees in their respective bargaining units. These changes were approved at the June 1995 meeting of your Board. The general employee group was not included in the action taken by your Board in June because no agreement between this group and Metropolitan had been reached.

Employees in the General Employees Unit who reside in remote areas such as Gene Village do not have the option of joining another medical plan and have therefore been required to pay the increased premium since August 1, 1995. It has been suggested that this unique situation unfairly impacts such employees and due to its small annual costs, the inequity can be resolved immediately. Additionally, in order to facilitate the ongoing contract negotiations with the General Employees Unit, management's negotiating team agreed to this change in order that such employees not be required to pay these increased premiums any longer.

The changes, which will be retroactive to August 1, 1995, will provide a maximum monthly contribution of \$231 with respect to an employee or annuitant enrolled for self alone; a maximum monthly contribution of \$461 for an employee or annuitant enrolled for self and one family member; and a maximum monthly contribution of \$600 for an employee or annuitant enrolled for self and two or more family members. These changes represent an increase of \$11,

\$21, and \$29, respectively, for employees in the General Employees Unit. These rates are based on the PERS medical rates which will be in effect from August 1, 1995 through December 31, 1996. The annual cost to provide this increase is approximately \$105,096. This change will cover approximately 450 employees and annuitants within the General Employees Unit.

## RESOLUTION 8485

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 Hosp Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of t 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, 1995 to December 1996, 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 th employee's or annuitant's eligible family members, in a health benefits plan or plans up to a maximum of:

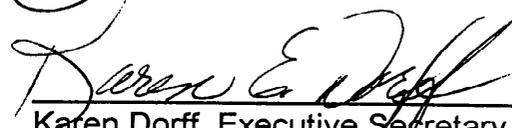
<u>Code</u>	<u>Unit</u>	<u>Contribution Per Month</u>		
		<u>One Party</u>	<u>Two Party</u>	<u>Three Party</u>
01	Unrepresented	\$231	\$461	\$600
02	Employees Association	\$231	\$461	\$600
03	Field Supervisors and Professional Personnel Association	\$231	\$461	\$600
04	Management and Professional Employees Association	\$231	\$461	\$600
05	Association of Confidential Employees	\$231	\$461	\$600

Adopted at a regular meeting of the Board of Directors of the Metropolitan Water District of Southern California at Los Angeles this 14th day of November, 1995.

Signed

  
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 John V. Foley, Chairman

Attest

  
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 Karen Dorff, Executive Secretary