



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-11

September 24, 1996

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

**From:** *for* General Manager Edward S. Meany IV

**Submitted by:** Izetta E. Birch  
Director of Human Resources Izetta E. Birch

**Subject:** Memorandum of Understanding Between the Metropolitan Water District of Southern California and the Management and Professional Employees Association

## RECOMMENDATION(S)

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It is recommended that your Board approve the Memorandum of Understanding (MOU) between the Metropolitan Water District and the Management and Professional Employees Association. (The MOU will be transmitted to you under separate cover).

## EXECUTIVE SUMMARY

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A Memorandum of Understanding has been successfully negotiated between the Metropolitan Water District of Southern California (District) and the Management and Professional Employees Association. This Memorandum of Understanding has been ratified by the Association's membership, and is jointly recommended by the bargaining team.

## DETAILED REPORT

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Outlined below is a summary of the significant provisions of the successor Memorandum of Understanding:

Term. The Agreement shall become effective on October 8, 1996 and shall remain in full force and effect until June 30, 1999.

Salaries Effective January 1, 1997 an across-the-board increase of 2% will be added to the salaries of employees in the bargaining unit (unit). A new step 1 will be added which will be approximately 2.75% below the current step 1.

Effective January 1, 1999 an across-the-board increase of 3% will be added to the salaries of employees in the unit.

Management Incentive Plan The Agreement provides for a process of revising the Management Incentive Plan (Plan). The revision process must begin by November, 1996 and revisions will be implemented in early 1997. Among other possible changes the revised Plan shall contain the following points:

- no payout for meets expectations
- a payout ratio for outstanding versus exceeds expectations of 2, 3 or 4 to 1
- no more than 45 outstanding evaluations
- no guarantee of 100% of payout of pool

For fiscal 1996-97 there will be no pool of money available for the Plan, and therefore no payout in July 1997.

For fiscal 1997-98 there will be an amount equal to 3% of the unit's annualized salaries available for payout pursuant to the Plan, with the payout in July 1998.

For fiscal 1998-99 the amount available for payout pursuant to the Plan will be negotiated by the parties in May 1998, with the payout in July, 1999. The source of the funding for the amount available for payout pursuant to the Plan shall be subject to the negotiation of the parties.

Retirement The Agreement provides for the 2% at 55 benefit formula under the Public Employees' Retirement System.

Interest based bargaining The parties will meet on November 4, 1996 to consider recommending interest-based bargaining for the negotiations of a successor agreement.

The Agreement provides the following deletions/changes to offset the District's cost of the improved retirement formula:

- Commencing in 1997 there will be a maximum accrual of 475 hours of annual leave. If at the end of each subsequent year an employee has annual leave credit of more than 400 hours the employee shall be paid for all hours in excess of 400.
- Delete Wellness Program
- Direct deposit of bi-weekly pay
- Social Security alternative acceptable to the Internal Revenue Service for temporary and recurrent employees.
- A process to eliminate the Management Bulletins
- A new lower step 1.