



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-5

May 20, 1997

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

**From:** *for* General Manager

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

*Edward J. Mason*  
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*Izetta E. Birch*  
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**Subject:** Final Adoption of the Amendment to the Contract with Public Employees' Retirement System to Provide Service Credit for Military Service

### **RECOMMENDATION(S)**

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It is recommended that your Board adopt the attached Amendment to Contract Between the Board of Administration of the Public Employees' Retirement System and the Board of Directors of the Metropolitan Water District of Southern California; Resolution Authorizing an Amendment to the Contract; and Certification of Final Action of Governing Body as set forth in Exhibits A, B, and C, such contract amendment to be effective on June 11, 1997.

### **EXECUTIVE SUMMARY**

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The final adoption of the amendment to Metropolitan's contract with CalPERS to provide Military Service as Public Service (Government Code Section 21024) will require execution of an Amendment to Contract, Resolution Authorizing an Amendment of the Contract, and Certification of Final Action in order to complete the process.

**DETAILED REPORT**

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Last month, your Board approved the adoption of the Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration of the Public Employees' Retirement System and the Board of Directors of the Metropolitan Water District of Southern California to provide Military Service as Public Service. This provision will allow Metropolitan employees to elect to purchase up to four years of CalPERS service credit for any continuous active military or merchant marine service prior to employment. The employees who so elect must remit to CalPERS both the employee and the employer contributions plus interest necessary to fund the purchase of their military service. There is no annual cost to provide this benefit, as this amendment to the CalPERS contract will not change Metropolitan's employer contribution rate at this time. Any impact on Metropolitan's employer contribution rate to CalPERS would emerge in future valuations based on actual usage.

The final step in the contract amendment process is the execution of the Amendment to Contract Between the Board of Administration of the Public Employees' Retirement System and the Board of Directors of the Metropolitan Water District of Southern California. Also as a part of the contract amendment process, it is required that the Resolution Authorizing an Amendment to the Contract and the Certification of Final Action of Governing Body be executed. The proposed amendment will be effective on June 11, 1997.

BL/vp

Attachments  
1277bo.doc

**AMENDMENT TO CONTRACT  
BETWEEN THE  
BOARD OF ADMINISTRATION  
OF THE  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
AND THE  
BOARD OF DIRECTORS  
OF THE  
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

The Board of Administration, Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of above public agency, hereinafter referred to as Public Agency, having entered into a contract effective January 1, 1945, and witnessed December 18, 1944, and as amended effective February 1, 1948, July 1, 1950, September 1, 1951, September 1, 1953, February 1, 1956, February 1, 1960, October 1, 1964, June 1, 1966, February 1, 1969, October 1, 1973, June 1, 1974, October 1, 1975, February 1, 1976, March 1, 1976, December 16, 1977, December 16, 1978, January 1, 1980, September 1, 1980, January 1, 1981, September 1, 1982, September 1, 1987, September 1, 1988, June 25, 1989, December 1, 1990 and July 13, 1994 which provides for participation of Public Agency in said System, Board and Public Agency hereby agree as follows:

- A. Paragraphs 1 through 11 are hereby stricken from said contract as executed effective July 13, 1994, and hereby replaced by the following paragraphs numbered 1 through 11 inclusive:
1. All words and terms used herein which are defined in the Public Employees' Retirement Law shall have the meaning as defined therein unless otherwise specifically provided. "Normal retirement age" shall mean age 60 for local miscellaneous members.
  2. Public Agency shall participate in the Public Employees' Retirement System from and after January 1, 1945 making its employees as hereinafter provided, members of said System subject to all provisions of the Public Employees' Retirement Law except such as apply only on election of a contracting agency and are not provided for herein and to all amendments to said Law hereafter enacted except those, which by express provisions thereof, apply only on the election of a contracting agency.
  3. Employees of Public Agency in the following classes shall become members of said Retirement System except such in each such class as are excluded by law or this agreement:

- a. Employees other than local safety members (herein referred to as local miscellaneous members).
4. In addition to the classes of employees excluded from membership by said Retirement Law, the following classes of employees shall not become members of said Retirement System:
    - a. **SAFETY EMPLOYEES.**
5. The percentage of final compensation to be provided for each year of credited prior and current service as a local miscellaneous member shall be determined in accordance with Section 21251.13 of said Retirement Law (2% at age 60 Full).
6. Public Agency elected and elects to be subject to the following optional provisions:
    - a. Section 21222.1 (Special 5% Increase-1970). Legislation repealed said Section effective January 1, 1980.
    - b. Section 21573 (Third Level of 1959 Survivor Benefits).
    - c. Section 21222.2 (Special 5% Increase-1971). Legislation repealed said Section effective January 1, 1980.
    - d. Section 20042 (One-Year Final Compensation).
    - e. Sections 21624 and 21626 (Post-Retirement Survivor Allowance).
    - f. Section 21319 (Special 15% Increase for Local Miscellaneous Members).
    - g. Section 21583 (Second Opportunity to Elect 1959 Survivor Benefits). Legislation repealed said Section effective September 27, 1979.
    - h. Section 20903 (Two-Years Additional Service Credit), Statutes of 1976. Legislation repealed said Section effective January 1, 1979.
    - i. Section 21427 (Improved Non-Industrial Disability Allowance).
    - j. Section 21325 (Special 3% - 15% Increase) for or on behalf of those local miscellaneous members who retired or died prior to January 1, 1974.
    - k. Section 21548 (Pre-Retirement Optional Settlement 2 Death Benefit).



11. Contributions required of Public Agency and its employees shall be paid by Public Agency to the Retirement System within fifteen days after the end of the period to which said contributions refer or as may be prescribed by Board regulation. If more or less than the correct amount of contributions is paid for any period, proper adjustment shall be made in connection with subsequent remittances. Adjustments on account of errors in contributions required of any employee may be made by direct payments between the employee and the Board.

B. This amendment shall be effective on the 11th day of June, 1997.

BOARD OF ADMINISTRATION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS  
OF THE  
METROPOLITAN WATER DISTRICT OF  
SOUTHERN CALIFORNIA

BY \_\_\_\_\_  
KENNETH W. MARZION, CHIEF  
ACTUARIAL & EMPLOYER SERVICES DIVISION  
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BY \_\_\_\_\_  
PRESIDING OFFICER

\_\_\_\_\_  
Witness Date

Attest:

\_\_\_\_\_  
Clerk

Metropolitan Water District of Southern California  
(Name of Public Agency)

**RESOLUTION  
AUTHORIZING AN AMENDMENT TO THE CONTRACT**

WHEREAS, the Board of Administration of the Public Employees' Retirement System and the  
Board of Directors of the  
(Governing Body)  
Metropolitan Water District of Southern California  
(Public Agency)

entered into a contract effective on January 1, 1997,  
providing for the participation of said Public Agency in the Public Employees'  
Retirement System; and

WHEREAS, it is now desirable to take advantage of certain benefits provided under said  
Retirement System and not included in said contract;

NOW, THEREFORE, BE IT RESOLVED, that said Board of Directors  
(Governing Body)  
authorized, and it does hereby authorize, an amendment to said contract, a copy of  
said amendment being attached hereto marked Exhibit and by such reference made a  
part hereof as though herein set out in full; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the presiding officer of said  
Board of Directors is hereby authorized,  
(Governing Body)  
empowered and directed to execute said amendment for and on behalf of said  
Metropolitan Water District of Southern California.  
(Public Agency)

Adopted this 10th day of June, 1997.

\_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Secretary/Clerk

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

Exhibit C

Actuarial and Employer Services Division  
Public Agency Contract Services  
P.O. Box 942709  
Sacramento, CA 94229-2709  
(916) 326-3420

**CERTIFICATION  
OF  
FINAL ACTION OF GOVERNING BODY**

I hereby certify that the Board of Directors of the  
(governing body)

Metropolitan Water District of Southern California  
(public agency)

adopted on June 10, 1997, by an affirmative vote of a majority of the members of said  
(date)

Governing Body, Resolution No.                      approving the  
(Ordinance or Resolution)

attached contractual agreement between the Governing Body of said Agency and the Board of  
Administration of the California Public Employees' Retirement System, a certified copy of said  
Resolution in the form furnished by said Board of Administration  
(Ordinance or Resolution)

being attached hereto.

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Title

Date \_\_\_\_\_