

• **Board of Directors**
Executive Committee

September 12, 2000 Board Meeting

9-6

Subject

Approval of Memorandum of Understanding Between the Metropolitan Water District of Southern California and the Employees Association of Metropolitan Water District of Southern California/AFSCME Local 1902

Description

A five-year Memorandum of Understanding (MOU) has been successfully negotiated between the Metropolitan Water District of Southern California management and the Employees Association of Metropolitan Water District of Southern California/AFSCME Local 1902 (AFSCME). This MOU has been ratified by AFSCME's membership, and is jointly recommended by the bargaining team. AFSCME membership has ratified the terms of the MOU by a 94 percent affirmative vote with 69 percent of its 1136 eligible members casting ballots. The cost of the MOU is approximately \$26 million over the five years of the agreement.

Attachment 1 is a summary of the significant provisions of the successor MOU.

Policy

Metropolitan Water District Administrative Code Section 6101, (k), (l). As a result of negotiations, as defined in Section 6101 (l), the General Manager is authorized with board approval to enter into an agreement with AFSCME Local 1902, per Section 6101 (k).

Board Options/Fiscal Impacts

Option #1

Authorize the General Manager to exercise discretion under Administrative Code Section 6101 (k) (l) to enter into an agreement with AFSCME Local 1902 to approve a five-year MOU with AFSCME from July 9, 2000 to June 30, 2005.

Fiscal Impact: \$26 million over five years.

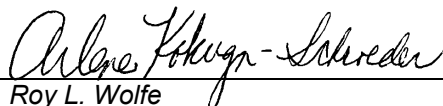
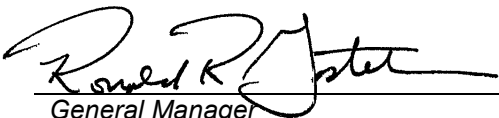
Option #2

Do not authorize. Direct Metropolitan management to continue negotiations with AFSCME for modifications of MOU terms and conditions.

Fiscal Impact: Unknown

Staff Recommendation

Option #1

 for Roy L. Wolfe Manager, Corporate Resources	9/7/2000 Date
 General Manager	9/7/2000 Date

Attachment 1

Term. The Agreement shall become effective July 9, 2000, and shall remain in full force and effect until June 30, 2005.

Salaries. Effective July 9, 2000, there shall be an across-the-board increase for each classification in the bargaining unit (unit) equal to 3 percent.

Effective the first day of the pay period closest to January 1, 2001, there shall be an across-the-board increase for each classification in the unit equal to 1 ³/₄ percent.

There shall be an across-the-board increase for each classification in the unit equal to 75 percent of the Consumer Price All Items Index for Urban Wage Earners and Clerical Workers (CPI-W) for Los Angeles-Anaheim-Riverside. The minimum increase is 3 percent and the maximum possible is 6 percent, effective the first day of the pay period closest to July in each of the years 2001 through 2004.

Retirement. Effective July 9, 2000, or as soon thereafter as administratively possible, Metropolitan shall contribute to PERS, as an Employer Paid Member Contribution, 7 of the total 7 percent normal member contributions to PERS for employee retirement.

Deferred Compensation. Effective July 9, 2000, or as soon thereafter as administratively possible, Metropolitan shall provide a matching contribution, on behalf of each employee who is a participant in the savings plan as provided for in Administrative Code, Division VI, Chapter 7, Article 5, in the amount of one dollar for each dollar contributed by the employee.

Effective the first of the pay period closest to July 1, 2002, the maximum Metropolitan matching contribution shall be increased from 3.5 percent to 4 percent of the total employee's cash compensation and salary reductions permitted under sections 401(k), 414(h), and 457 of the Internal Revenue Service Code during the calendar year (total cash compensation).

Effective the first of the pay period closest to July 1, 2003, the maximum Metropolitan matching contribution shall be increased from 4 percent to 4.5 percent of the total employee's cash compensation and salary reductions permitted under sections 401(k), 414(h), and 457 of the Internal Revenue Service Code during the calendar year (total cash compensation).

Agency Shop. An AFSCME unit-wide election was held with 59 percent of the 1536 AFSCME unit members voting. Agency shop was supported by 76 percent of the employees in the unit.

Cost. The total cost of the MOU is \$26 million over the five years of the agreement, which is well within the Board approved authorization. This represents an average annual cost of 5.15 percent of total compensation.

Ratification. Votes to ratify the agreement were held at several work sites and completed by September 6, 2000. With 69 percent of the 1136 AFSCME eligible members voting, this MOU was supported by 94 percent of the membership.