

- **Board of Directors**

January 9, 2001 Board Meeting

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**8-3**

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**Subject**

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Adopt resolution providing for changes in Metropolitan's contributions to medical plans maintained by Public Employees' Retirement System for the period February 1, 2001 through December 31, 2001

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**Description**

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The current memoranda of understanding (MOU) between the Metropolitan Water District (Metropolitan) and the Management and Professional Employees Association, Supervisors' Association, Association of Confidential Employees, and the Employees Association/AFSCME Local 1902 provide changes in Metropolitan's contributions to the cost of medical insurance which is provided to employees by the Public Employees Retirement System (PERS) under provisions of the Public Employees' Medical and Hospital Care Act. Under the Metropolitan Administrative Code, Metropolitan's unrepresented employees will be provided matching contributions for medical insurance. Additionally, the regulations of the PERS Board of Administration require equal coverage and contributions for eligible annuitants.

On December 13, 2000, the PERS Board of Administration approved an increase to the PERSCare medical plan premium. According to the current MOUs, this premium determines the contribution amount that Metropolitan pays towards all medical plans. This premium change, effective February 1, 2001, requires Metropolitan to sign another resolution approving the new contribution amounts. The change will provide a maximum monthly contribution of \$325 with respect to an employee or annuitant enrolled for self only; a maximum monthly contribution of \$650 for an employee or annuitant enrolled for self and one family member; and a maximum monthly contribution of \$845 for an employee or annuitant enrolled for self and two or more family members. These rates will remain in effect from February 1, 2001 through December 31, 2001.

The Metropolitan Water District Administrative Code Section 6522, which addresses medical contributions for unrepresented managers, will require an amendment to reflect this change.

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**Policy**

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The current memoranda of understanding between Metropolitan and the Management and Professional Employees Association, Supervisors' Association, Association of Confidential Employees, and the Employees Association/AFSCME Local 1902 and the Metropolitan Water District Administrative Code Section 6522.

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**CEQA Compliance/Environmental Documentation**

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Since there is no possibility that paying and reporting the value of employer-paid member contributions to PERS may have a significant effect on the environment, the recommended action is not subject to the California Environmental Quality Act (CEQA) (State CEQA Guidelines Section 1506 (b)(3)).

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**Board Options/Fiscal Impacts**

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**Option #1**

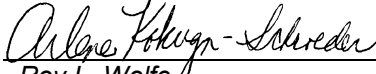
In accordance with the negotiated labor agreements with Metropolitan's four bargaining units and Metropolitan Water District Administrative Code Section 6522, adopt the attached resolution (**Attachment 1**) increasing Metropolitan's contributions to the medical plans maintained by PERS for employees and annuitants, said changes to be effective February 1, 2001 through December 31, 2001.

**Fiscal Impact:** Approximately \$1.22 million. This increase in costs is not included in our current fiscal year budget, however we have adequate funds to cover these additional costs.

**Staff Recommendation**


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Option #1

  
for Roy L. Wolfe  
Manager, Corporate Resources

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12/27/2000  
Date

  
General Manager

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12/27/2000  
Date

**Attachment 1 – Resolution**

BLA #800

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 February 1, 2001 through December 31, 2001, 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 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	\$325	\$650	\$845
02	Employees Association	\$325	\$650	\$845
03	Supervisors’ Association	\$325	\$650	\$845
04	Management and Professional Employees Association	\$325	\$650	\$845
05	Association of Confidential Employees	\$325	\$650	\$845

Adopted at a meeting of the Board of Directors of the Metropolitan Water District of Southern California at Los Angeles on the 9th day of January 2001.

Signed \_\_\_\_\_  
Phillip J. Pace, Chairman

Signed \_\_\_\_\_  
Dawn Chin, Executive Secretary