

● **Board of Directors**
Legal, Claims and Personnel Committee

March 13, 2001 Board Meeting

8-5

Subject

Adopt final resolution to amend contract to increase to the Fourth Level 1959 Survivor Benefits through the Public Employees' Retirement System

Description

At the February 13, 2001 meeting, the Board adopted a resolution of intent to amend contract with the Public Employees' Retirement System (PERS) to increase to the Fourth Level 1959 Survivor Benefits. As mentioned in the February Board Letter No. 8-1, Government Code Section 21574 requires the adoption of a final resolution after the resolution of intent has been signed and on file for 20 days. This letter seeks adoption of the final resolution ([Attachment 1](#)).

Policy

The current memoranda of understanding executed between Metropolitan and the Employees Association/American Federation of State, County and Municipal Employees (AFSCME) Local 1902, Supervisors' Association, Management and Professional Employees Association, and Association of Confidential Employees.

Prior Board direction--Board Letter No. 8-1 dated February 13, 2001.

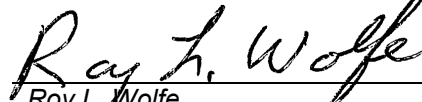
CEQA Compliance / Environmental Documentation

Since there is no possibility that providing the Fourth Level 1959 Survivor Benefits through PERS would have a significant effect on the environment, the recommended action is not subject to the California Environmental Quality Act (CEQA) (State CEQA Guidelines Section 15061(b)(3)).

Staff Recommendation / Fiscal Impacts

In accordance with the Employees Association/AFSCME Local 1902 and Supervisors' Association (approved at February 13, 2001 Board meeting) negotiated labor agreements with Metropolitan and Government Code Section 21574, adopt the attached final resolution ([Attachment 1](#)) to amend contract with PERS to increase to the Fourth Level 1959 Survivor Benefits for all eligible employees effective April 1, 2001.

Fiscal Impact: None in fiscal years 2000/2001 or 2001/2002. Up to a maximum of \$122,000 to be included in fiscal year 2002/2003 Operations and Maintenance (O&M) budget, depending on the PERS employer contribution rate.



Roy L. Wolfe
Manager, Corporate Resources

3/2/2001

Date



Ronald R. Jester
General Manager

3/2/2001

Date

Attachment 1—Final Resolution

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

**RESOLUTION
AUTHORIZING AN AMENDMENT TO THE CONTRACT**

No. _____

WHEREAS, the Board of Administration of the California Public Employees' Retirement System and the Board of Directors of the Metropolitan Water District of Southern California entered into a contract effective on January 1, 1945 providing for the participation of said public agency in the California 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 governing body authorized, and it does hereby authorize, an amendment to said contract, a copy of said amendment attached hereto 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 governing body is hereby authorized, empowered and directed to execute said amendment for and on behalf of said public agency.

Adopted this _____ day of _____, _____.

Presiding Officer

Attest:

Clerk/Secretary



California
Public Employees' Retirement System

AMENDMENT TO CONTRACT

Between the
Board of Administration
California Public Employees' Retirement System
and the
Board of Directors
Metropolitan Water District of Southern California

The Board of Administration, California Public Employees' Retirement System, hereinafter referred to as Board, and the governing body of the 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, July 13, 1994, June 11, 1997 and December 28, 1997 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 December 28, 1997, 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 55 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 21354 of said Retirement Law (2% at age 55 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 21574 (Fourth 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 Who Retired or Died Prior to July 1, 1971).
 - g. Section 21389 (Second Opportunity to Elect 1959 Survivor Benefits). Legislation repealed said Section effective September 27, 1979.

- h. Section 20818 (Two-Years Additional Service Credit), Statutes of 1976. Legislation repealed said Section effective January 1, 1979.
 - i. Section 21427 (Improved Nonindustrial Disability Allowance).
 - j. Section 21325 (Special 3% to 15% Increase For Local Miscellaneous Members Who Retired or Died Prior to January 1, 1974).
 - k. Section 21548 (Pre-Retirement Optional Settlement 2 Death Benefit).
 - l. Section 20965 (Credit for Unused Sick Leave).
 - m. Section 20903 (Two Years Additional Service Credit).
 - n. Section 21024 (Military Service Credit as Public Service), Statutes of 1976.
 - o. Section 21583 (Second Opportunity to Elect 1959 Survivor Benefits).
7. Public Agency, in accordance with Government Code Section 20790, ceased to be an "employer" for purposes of Section 20834 effective on October 1, 1975. Accumulated contributions of Public Agency shall be fixed and determined as provided in Government Code Section 20834, and accumulated contributions thereafter shall be held by the Board as provided in Government Code Section 20834.
8. Public Agency shall contribute to said Retirement System the contributions determined by actuarial valuations of prior and future service liability with respect to local miscellaneous members of said Retirement System.
9. Public Agency shall also contribute to said Retirement System as follows:
- a. Contributions required per covered member on account of the 1959 Survivor Benefits provided under Section 21574 of said Retirement Law. (Subject to annual change.) In addition, all assets and liabilities of Public Agency and its employees shall be pooled in a single account, based on term insurance rates, for survivors of all local miscellaneous members.
 - b. A reasonable amount, as fixed by the Board, payable in one installment within 60 days of date of contract to cover the costs of administering said System as it affects the employees of Public Agency, not including the costs of special valuations or of the periodic investigation and valuations required by law.

- c. A reasonable amount, as fixed by the Board, payable in one installment as the occasions arise, to cover the costs of special valuations on account of employees of Public Agency, and costs of the periodic investigation and valuations required by law.
- 10. Contributions required of Public Agency and its employees shall be subject to adjustment by Board on account of amendments to the Public Employees' Retirement Law, and on account of the experience under the Retirement System as determined by the periodic investigation and valuation required by said Retirement Law.
- 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 _____ day of _____.

BOARD OF ADMINISTRATION
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

BOARD OF DIRECTORS
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