

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

October 16, 2001 Board Meeting

8-3

Subject

Adopt resolution providing for changes in Metropolitan's contributions to medical plans maintained by Public Employees' Retirement System for the calendar year 2002

Description

The current Memoranda of Understanding between Metropolitan and its employee bargaining units provide changes in Metropolitan's contributions to the cost of medical insurance which is provided to employees by PERS under provisions of the Public Employees' Medical and Hospital Care Act. Under the Metropolitan Water District 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.

Commencing January 1, 2002, the changes will provide a maximum monthly contribution of \$404 with respect to an employee or annuitant enrolled for self only; a maximum monthly contribution of \$808 for an employee or annuitant enrolled for self and one family member; and a maximum monthly contribution of \$1,050 for an employee or annuitant enrolled for self and two or more family members. These rates are based on changes in the PERS medical rates that will be in effect from January 1, 2002 through December 31, 2002.

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

Policy

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

CEQA

The proposed action is not defined as a project under the California Environmental Quality Act (CEQA), because it involves continuing administrative activities, such as personnel-related actions, general policy and procedure making (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

Staff Recommendation/Fiscal Impacts

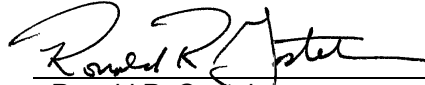
Adopt the CEQA determination and in accordance with the negotiated labor agreements with Metropolitan's four bargaining units, adopt the attached resolution (**Attachment 1**) increasing Metropolitan's contributions to the medical plans maintained by PERS for employees and annuitants in classifications represented by these units, said changes to be effective January 1, 2002 through December 31, 2002.

Fiscal Impact: Approximately \$1.23 to \$1.41 million, depending on open enrollment fluctuations. This increase in costs is not included in our current fiscal year budget. Contingency funds will have to be allocated to cover these additional costs.



Roy L. Wolfe
Manager, Corporate Resources

9/17/2001
Date



Ronald R. Gastelum
Chief Executive Officer

9/25/2001
Date

Attachment 1 – Resolution Fixing Employer’s Contribution

BLA #1289

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 January 1, 2002 through December 31, 2002, 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	\$404	\$808	\$1050
02	Employees Association	\$404	\$808	\$1050
03	Supervisors’ Association	\$404	\$808	\$1050
04	Management and Professional Employees Association	\$404	\$808	\$1050
05	Association of Confidential Employees	\$404	\$808	\$1050

Adopted at a meeting of the Board of Directors of the Metropolitan Water District of Southern California at Los Angeles on the 16th day of October 2001.

Signed _____
Phillip J. Pace, Chairman

Signed _____
Dawn Chin, Executive Secretary