Side Letter Agreement

Effective upon approval by the Board of Directors, the Memorandum of Understanding (MOU) between Delta Diablo, a California Sanitation District, and the **Operations & Maintenance Representation Unit/Public Employees Union Local One** shall be amended by the following provisions:

Section IV.8 – RETIREE BENEFITS

The District currently contracts with the California Public Employees' Retirement System (CalPERS) to provide post-employment (i.e., retiree) medical coverage through the Public Employees' Medical and Health Care Act (PEMHCA) to qualified employees, their eligible spouse/registered domestic partner, and/or dependent children.

Employees Hired Before January 1, 2009 ("Pre-2009 Hires")

To be eligible for District-provided retiree PEMHCA coverage, a Pre-2009 Hire must retire from CalPERS within 120 days after his or her District employment terminates.

While a Pre-2009 Hire is enrolled in PEMHCA coverage as a retiree, the District will subsidize the retiree's PEMHCA premium cost up to the greater of (1) or (2) below:

(1) The Employee & 2+ Dependents rate (under CalPERS Basic Rate Schedule) of the Kaiser Permanente HMO Bay Area health plan or
(2) The Employee & 2+ Dependents rate (under CalPERS Basic Rate Schedule) of the Blue Shield of CA Access + HMO Bay Area health plan.

Employees Hired On or After January 1, 2009 ("Post-2008 Hires")

To be eligible for District-provided PEMHCA coverage, a Post-2008 Hire must satisfy the requirements set out under section 22893 of the California Government Code to receive an employer contribution from the District. With certain exceptions specified in section 22893, these requirements include the following: (1) a Post-2008 Hire must have a minimum of 10 years of CalPERS service credit, of which at least five years were accrued at the District, and (2) if the Post-2008 Hire has accrued fewer than 20 years of CalPERS credit for District service, he or she must retire from CalPERS within 120 days after his or her District employment terminates.

While a Post-2008 Hire is enrolled in PEMHCA coverage as a retiree, the District will subsidize the retiree's PEMHCA premium cost up to the greater of (1) or (2) below:

(1) The minimum employer contribution amount required by section 22893 of the California Government Code for the retiree's selected PEMHCA coverage.

(2) An amount equal to the Applicable Percentage of the greater of:

(A) The Employee & 2+ Dependents rate (under CalPERS Basic Rate Schedule) of the Kaiser Permanente HMO Bay Area health plan or
(B) The Employee & 2+ Dependents rate (under CalPERS Basic Rate Schedule) of the Blue Shield of CA Access + HMO Bay Area health plan.

For this purpose, a retiree's "Applicable Percentage" means the percentage determined under section 22893(a) of the California Government Code, as follows:

Years of CalPERS Service Credit*	Applicable Percentage	Years of CalPERS Service Credit*	Applicable Percentage
10 Years	50%	15 Years	75%
11 Years	55%	16 Years	80%
12 Years	60%	17 Years	85%
13 Years	65%	18 Years	90%
14 Years	70%	19 Years	95%
		20 Years or more	100%
*A minimum of five years must be attributable to District service.			

Reimbursement of the monthly premium deduction will be made in accordance with the process outlined in the Retiree Medical Premium Reimbursement Procedure.

Provisions Applicable to all Retirees Regardless of Hire Date

In no event will the District subsidy provided to a retiree exceed the premium for the retiree's selected PEMHCA coverage.

No in-lieu of medical insurance payments shall be made to retirees. Retirees must enroll in Medicare Part A and participate in a PEMHCA Medicare supplement plan when eligible to enroll in Medicare to receive a District subsidy.

Retired employees are responsible for their own dental, vision (if not covered by the health care plan), and life insurance coverage.

In the event Federal or State legislation, which affects the health care coverage for employees provided under this MOU, is enacted into law during the term of this MOU and such legislation has an adverse impact on either party, the Parties shall meet and confer regarding the impact of such legislation on the MOU.

Signatures of Approvals:

DELTA DIABLO:

Date: 3-14-2018

By: _____
Federal D. Glover, Chair
Board of Directors

By: _____
Vincent P. De Lange
General Manager

By: _____
Carol Margetich
Business Services Director

OPERATIONS AND MAINTENANCE REPRESENTATION UNIT/PEU LOCAL ONE:

Date: March 14, 2018

By: _____
Jeffrey Navarrete
Chair

By: _____
Christopher Phillips
Vice Chair

By: _____
Joseph Ciochon
Safety Representative

By: _____
Genevieve Vigil
Business Agent, Public Employees Union, Local One