

ORDINANCE NO. 2006-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
REGARDING RETIREE HEALTH BENEFITS

BE IT ENACTED by the Board of Directors of the GEORGETOWN  
DIVIDE PUBLIC UTILITY DISTRICT, County of El Dorado, State of California,  
as follows:

A. Qualifying Requirements

1. The Georgetown Divide Public Utility District ("District") wishes to clarify that retiree health benefits are provided only to qualifying employees with twenty or more years of service to the District and their spouse at the time of retirement. Coverage is provided to dependents other than the spouse only if the retiree pays the entire premium cost increment for that dependent. In the event of divorce or legal separation, coverage ceases for retiree's spouse. If the retiree marries again, the new spouse can be covered by the District policy but the retiree shall pay the entire premium cost increment for the new spouse. If the retiree dies, coverage will continue for the spouse (who was the spouse at the time of retirement) until the spouse remarries or dies. In order to be eligible for this benefit the employee must retire under the Public Employee Retirement System and have 20 years of service to the District.

2. The District shall continue to make health insurance available for eligible retirees and their spouse.

B. Existing Retirees:

1. The District currently pays the premiums for health benefits of its qualified retirees and their spouses pursuant to Ordinance 98-02 passed and adopted by the Board of Directors on August 11, 1998.

2. As of January 1, 2007, the District's contribution toward retiree health benefits shall not exceed 100% of the premium amount for the Blue Cross "Prudent Buyer Advantage Plan" or reasonable equivalent offered through ACWA. Retirees who wish to enroll in a different ACWA plan shall be responsible for any additional premium required for the different plan. Retiree health insurance does not include dental or vision care. The amount of the District's contribution toward the health insurance premiums may be amended

by motion of the Board without the need to amend this ordinance. Prior to amending the District's contribution amount, the District shall mail written notice to all existing retirees at least thirty days in advance of taking such action. The retirees are responsible for providing the District with a current mailing address.

3. Premiums for retiree health benefits shall be paid to the group health program until such time as the retiree qualifies for Medicare. At that time the District will pay toward the supplemental plan for the retiree and his/her spouse pursuant to Ordinance 98-02, an amount equal to \$103.14 per month for fiscal year 2005-2006, subject to cost of living increases on July 1<sup>st</sup> based on the United States Department of Labor Consumer Price Index for All Urban Consumers as of April for San Francisco, Oakland and San Jose. Any excess required for the supplemental plan shall be the responsibility of the retiree. This means that the existing retirees with Medicare supplemental plans will have no changes to their current health benefits.

C. Current Unrepresented Employees and Management:

1. As of the effective date of this Ordinance, the District's contribution toward retiree health benefits for existing unrepresented employees and management employees shall not exceed 100% of the premium amount for the Blue Cross "Prudent Buyer Advantage Plan" or reasonable equivalent offered through ACWA. Retirees who wish to enroll in a different plan shall be responsible for any additional premium required for the different plan. Retiree health insurance does not include dental or vision care. The amount of the District's contribution toward the health insurance premiums may be amended by motion of the Board without the need to amend this ordinance.

2. Premiums for retiree health benefits shall be paid to the group health program until such time as the retiree qualifies for Medicare. At that time the District will pay toward the supplemental plan for the retiree and his/her spouse, such amount not to exceed \$435 per month. Any excess required for the supplemental plan shall be the responsibility of the retiree.

3. The District shall contribute a maximum allowance of \$435 per month toward the retiree health insurance premium costs for eligible unrepresented and management employees hired after the effective date of this Ordinance. When the employee becomes eligible for Medicare to be the primary plan, the District shall contribute toward the supplemental plan, such amount not to exceed \$435 per month.

D. Employees in the Water Systems Bargaining Unit:

1. Retiree health benefit premiums for represented employees in the Water Systems Bargaining Unit who retire on or after the effective date of this Ordinance shall be established pursuant to the then-current negotiated memorandum of understanding between the District and the represented employees. Any excess payment required for health benefit premiums shall be the responsibility of the retiree. Currently, when the employee becomes eligible for retirement, the District shall contribute such amount not to exceed \$435 per month before and after Medicare eligibility.

E. Retiree Health Benefit Funding:

1. The District will continue to reserve the unrepresented employee's annual savings from their dental and vision care plan to assist in funding the retiree health benefits along with an additional annual contribution considered necessary to provide for these benefits.


PASSED AND ADOPTED at a duly held regular meeting of the Board of Directors of the Georgetown Divide Public Utility District on the eleventh day of April, 2006, by the following vote:

AYES: Bob Diekon, Norman Krizl, Doug Pickell, JoAnn Shepherd and Hy Vitcov

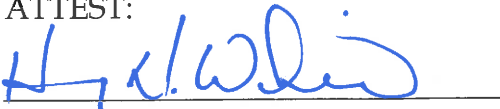
NOES: None

ABSENT: None

ABSTAIN: None

By:   
Bob Diekon, President  
Board of Directors,  
Georgetown Divide Public Utility District

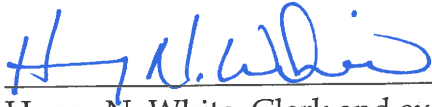
ATTEST:



Henry N. White, Clerk and ex officio Secretary  
Board of Directors, Georgetown Divide Public Utility District

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Ordinance No. 2006-01 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the sixteenth day of May, 2006.



Henry N. White, Clerk and ex officio  
Secretary, Board of Directors  
Georgetown Divide Public Utility District