



RESOLUTION NO. 2013-19

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT REGARDING IMPLEMENTING SECTION 414 (H) (2) OF THE INTERNAL REVENUE CODE

The Board of Directors of the Monterey Peninsula Water Management District, hereby adopts the following Resolution:

WHEREAS, the governing body of the Monterey Peninsula Water Management District has the authority to implement the provisions of Section 414(h)(2) of the Internal Revenue Code; and

WHEREAS, the governing body of the Monterey Peninsula Water Management District has entered labor agreements with represented employees which require the employees to cost share pension obligations by contributing a percentage toward the employer cost of retirement; and

WHEREAS, the Monterey Peninsula Water Management District has faced reduction in its operating revenues making it necessary for the District to share pension costs with employees; and,

WHEREAS, it is in the interests of all parties for such employee contributions toward the employer cost of retirement to be made on a pre-tax basis, in accordance with Section 414(h)(2) of the Internal Revenue Code; and

WHEREAS, in order to implement the provisions of Section 414(h)(2) to include these contributions, a resolution must be adopted to clearly reflect the proposed action:

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Monterey Peninsula Water Management District as follows:

- 1) The Monterey Peninsula Water Management District has implemented the provisions of Section 414(h)(2) of the Internal Revenue Code with respect to the statutorily required employee contributions.
- 2) The cost sharing contributions in the respective Memorandums of Understanding under Government Code 20516(f), as described in paragraph 4 below, shall be designated as pre-tax under Section 414(h)(2) of the Internal Revenue Code.
- 3) Payments by employees that are contributed to PERS, including the payments toward the employer cost of retirement, are employee contributions for the purpose of Section 414(h)(2) of the Internal Revenue Code, but are not "member contribution" as defined by CalPERS.
- 4) The employee contributions toward the employer cost of retirement will occur as follows:

General Staff Bargaining Unit and Management Staff Bargaining Unit:

Effective October 1, 2013, each unit member will pay one percent (1%) toward the employer cost of retirement.

Effective July 1, 2014, each unit member will pay two percent (2%) toward the employer cost of retirement.

Effective July 1, 2015, each unit member will pay three percent (3%) toward the employer cost of retirement.

- 5) The contributions defined above are mandatory and the employees do not have a cash, or deferred election right (or option) with respect to these designated employee contributions. Employees may not receive the contributed amounts directly instead of having them paid by the Monterey Peninsula Water Management District to the California Public Employees' Retirement System.
- 6) The Monterey Peninsula Water Management District shall pay to the California Public Employees' Retirement System the contributions designated above from the same source as used in paying salary.

On motion of Director Potter, and second by Director Byrne, the foregoing resolution is duly adopted this 16th day of September, 2013, by the following votes:

AYES: Directors Brower, Byrne, Lehman, Lewis, Markey, Pendergrass and Potter

NAYES: None

ABSENT: None

I, David J. Stoldt, Secretary of the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted on the 16th day of September, 2013.

Witness my hand and seal of the Board of Directors, this 25th day of September, 2013.



David J. Stoldt, Secretary to the Board

COPY CERTIFICATION

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Resolution No. 2013-19 duly adopted on the 16th day of September, 2013.



David J. Stoldt,
Secretary to the Board of Directors

9.25.13
Date