



FINAL

RESOLUTION NO. 2013-26

**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 adopt 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:

Confidential Staff Bargaining Unit:

Effective October 28, 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 Lehman, and second by Director Byrne, the foregoing resolution is duly adopted this 21st day of October, 2013, by the following votes:

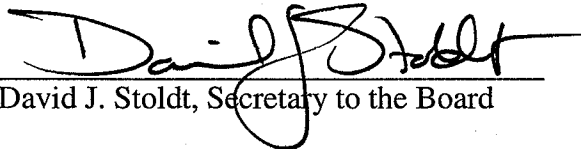
AYES: Directors Byrne, Lehman, Markey, Pendergrass and Potter

NAYES: None

ABSENT: Directors Brower and Lewis

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 21st day of October, 2013.

Witness my hand and seal of the Board of Directors, this 24th day of October, 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. 2013-26 duly adopted on the 21st day of October 2013.



David J. Stoldt,
Secretary to the Board of Directors

10.28.13
Date