



RESOLUTION NO. _____

BOARD LETTER APPROVAL

A handwritten signature in blue ink, appearing to read 'M. Adams', is positioned above a horizontal line.

MARTIN L. ADAMS
General Manager and Chief Engineer

DATE: March 12, 2024

SUBJECT: Approval of Amendment to International Brotherhood of Electrical Workers Local 18 Health and Welfare Plan Resolution No. 97-244, Effective July 1, 2024

SUMMARY

The proposed Resolution is to recommend the approval of the Board of Water and Power Commissioners (Board) to amend International Brotherhood of Electrical Workers Local 18 (IBEW Local 18) Health and Welfare Plan Resolution No. 97-244, adopted June 3, 1997, to revise LADWP's contribution toward the employee cost of the IBEW Local 18 Health and Welfare Plan.

Budgeted health care services are projected to cost LADWP approximately \$220.4 million for Fiscal Year (FY) 2024-25 for both active and retired employees enrolled in an Anthem Blue Cross health plan and/or Guardian dental plan. Employee health and dental benefit provisions are included in the Memorandum of Understanding agreements with the various unions and are subject to the labor negotiations process. The next opportunity for plan design changes and/or increases in employees' share of the costs will be during labor negotiations for the 2025-26 plan year.

City Council approval is not required.

RECOMMENDATION

It is recommended that the Board adopt the attached Resolution No. 97-244 authorizing the amendment to the IBEW Local 18 Health and Welfare Plan.

ALTERNATIVES CONSIDERED

There are no other viable alternatives. Pursuant to the Board's authority under the City of Los Angeles Charter Section 682 and in accordance with long-standing

agreements with IBEW Local 18, LADWP continues to provide health and dental care services to active and retired employees.

FINANCIAL INFORMATION

This Resolution is for a term of 12 months beginning July 1, 2024, and ending June 30, 2025, with an estimated cost to LADWP of \$220.4 million, which is an estimated 9.7 percent increase from the previous year. This Resolution has an estimated cost to the LADWP of \$182.2 million for active employees and \$38.2 million for retirees. Premium rates have increased from the current year rates by 9.1 percent for active employees and increased by 13.1 percent for retirees.

LADWP currently offers health and dental care services to more than 19,000 active and retired employees at a projected annual cost of approximately \$442.4 million for FY 2024-25, which includes LADWP's contribution towards Medicare Part B premiums.

BACKGROUND

On June 3, 1997, the Board adopted Resolution No. 97-244, which authorized LADWP to pay health and dental plan subsidies on behalf of employees who enroll in an IBEW Local 18 Health and Welfare Plan. Under the plan, the IBEW Local 18 established its own health and dental programs as options for their members to choose instead of the LADWP-sponsored plans. The Resolution acknowledged a Letter of Agreement between LADWP management and IBEW Local 18 Health and Welfare Plan, reconfirmed the eligibility requirements for participation in the plan, and established subsidy limits.

Over the years, the 1997 Resolution has been amended to reflect negotiated changes to the IBEW Local 18 Health and Welfare Plan. Such changes include increases in the subsidy levels, additional coverage by other bargaining units as a result of the decertification of the Engineers and Architects Association, part-time health and dental benefits for half-time civil service employees, enhanced premium coverage for IBEW Local 18 members and eligible dependents who reside in the Owens Valley or other out-of-area locations where there are no viable Health Maintenance Organizations available, and eligibility for IBEW Local 18 members who retired during or after LADWP's Staff Reduction Program. Each year, as part of the contract renewal process for health and dental plans, the Board is asked to amend Resolution No. 97-244 to reflect any recently negotiated changes to the IBEW Local 18 Health and Welfare Plan and to revise LADWP's contribution toward subsidies in accordance with the new health and dental premium rates that will go into effect for the various union plans. Therefore, the Board is being asked to approve the revised subsidy contribution in accordance with the new health and dental rates, effective July 1, 2024.

The Resolution, as amended, has been prepared in its entirety with the changes being only the premium rates for each respective plan.

ENVIRONMENTAL DETERMINATION

Determine item is exempt pursuant to California Environmental Quality (CEQA) Guidelines 15060(c)(3). In accordance with this section, an activity is not subject to CEQA if it does not meet the definition of a project. Section 15378(b)(4) states that 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 do not meet that definition. Therefore, the continued provision of health care coverage is not subject to CEQA.

CITY ATTORNEY

The Office of the City Attorney has reviewed and approved the Resolution as to form and legality.

ATTACHMENTS

- Resolution