

Elizabeth Ooms-Graziano
125 W. Anderson Rd.
Sequim, WA 98382

August 15, 2022

Board of Directors
Santa Clarita Valley Water Agency
27234 Bouquet Canyon Road
Santa Clarita, CA 91350

Dear Board of Directors Finance and Administration Committee Members:

My name is Elizabeth Ooms-Graziano and I was the Retail Administrative Officer of the Santa Clarita Water, a Division of Castaic Water Agency from June 2008 through December 2017, then for the Santa Clarita Valley Water Agency from January 2018 through May 2020. I retired in May 2020 and I currently live in Sequim, Washington.

I had the opportunity to review the August 9, 2022 Finance and Administration Committee packet proposal for changing the employer's medical insurance contributions. I understand the medical insurance premiums are increasing and the burden should be shared by both the employer and the employees. My family currently has PERS Platinum medical plan, which is the only plan available for out of state in Washington. Currently, we contribute \$14.82 per month for the out of state PERS Platinum. The proposed 2023 Agency contribution is 90% of Region 3 PERS Platinum, which would increase our monthly contribution from \$14.82 to \$287.48 per month.

As you all know, we have had record high inflation recently and as CALPERS retirees we only received a 2% COLA increase unlike active employees, which received 5.5% COLA increases. As retirees with fixed incomes, an increase of \$272.66 per month is a tremendous burden and is devastating. It would not be so bad if we had other insurance options, like the PERS Gold, but unfortunately, we do not have any other options other than the PERS Platinum in the state of Washington. Both my husband, Chris Graziano and I are retirees of SCVWA and when we retired, we no longer qualified for the In Lieu, which was another huge loss of monthly income.

The majority of participants 80 or 33% are currently with PERS Platinum, which will have the highest contribution impact. Eight of them are out of state that has the highest impact since out of state premiums are higher in 2023 than in 2022 compared to Region 3. Would the Board of Directors please consider contributing 95% of Region 3 PERS Platinum instead of just the 90%? This would help split the majority of the increase 50% to the Agency and 50% to the employee/retirees. This would benefit both active employee and all retirees. The current proposal is showing the Agency is (\$183,303) under budget. At 95% of Region 3 PERS Platinum, it would reduce employee/retirees' annual contribution by 50% from \$148,450 to \$74,225. The impact to the Agency would be the additional \$74,225. Please note that Attachment 3 of the Committee Packet is assuming all 80 PERS Platinum participants are in Region 3, which is not the case. The actual impact to most retirees will be slightly higher since Region 3 PERS Platinum has the lowest rate of \$2,580.73. There are 8 out of state participants, one in Region 1, ten in Region 2 and 61 in Region 3, as shown in Attachment 3 of the Committee Packet.

Additional PERS Platinum Participants Contributions in 2023 above the 2022 Contributions based on Region 3 only (participant counts from Attachment 3):

Employee only \$77.90 per month (18 participants) - \$16,826.40 per year
Employee plus 1 \$155.81 per month (34 participants) - \$63,470.48 per year
Family \$202.54 per month (28 participants) - \$68,053.44 per year

PERS Platinum Medical Premiums (from Attachment 1):

Region 1 - \$3,120.31
Region 2 - \$2,638.48
Region 3 - \$2,580.73
Out of State - \$2,610.74

Another option would be to assist only retirees or only those retirees living out of state, which have no other medical insurance option other than the PERS Platinum. The last options would be to provide a replacement for the In Lieu when the Agency happens to have spouses who are both retirees of the Agency. The replacement might be 25% of the current In Lieu amount, which retirees can use to help pay for their medical insurance contributions. All of the other options mentioned after the first one above would have a lesser monetary impact on the Agency.

Board of Directors Finance and Administration Committee members please consider one of the options below:

1. To increase the Agency's contribution from 90% to 95% of Region 3 PERS Platinum for all employee and retirees (financial impact approximately \$74,225).
2. To increase the Agency's contribution from 90% to 95% of Region 3 PERS Platinum for all retirees only (financial impact approximately \$10,000 to \$15,000 since I don't have the actual retiree counts).
3. To increase the Agency's contribution from 90% to 95% of Region 3 PERS Platinum for out of state retirees only (financial impact approximately less than \$10,000 since I don't have the actual counts of retirees PERS Platinum categories).
4. To provide a replacement for In Lieu when both spouses are retirees of the Agency at 25% of the current year In Lieu rate (financial impact approximately less than \$5,000).

I would like to thank you in advance for your consideration of the above options to assist participants during this difficult time of high inflation, especially retirees on a fixed income. Your consideration is greatly appreciated.

Sincerely,



Elizabeth Ooms-Graziano