



**DISTRICT OF COLUMBIA
WATER AND SEWER AUTHORITY**

BOARD OF DIRECTORS
*Human Resources and Labor Relations
Committee*
November 14, 2012

MEETING MINUTES

Committee Members Present

Alan Roth
Carla Reid
Howard Croft
Kathleen Boucher, Chair

DC Water Staff Present

George Hawkins, General Manager
Christopher Carew, Chief of Staff
Katherine Cahill, Principle Counsel
Linda R. Manley, Board Secretary

1. Call to Order

Kathleen Boucher called the meeting to order at 11:10 a.m.

2. Education Assistance & Reimbursement Program

- A. Rick Green, Director, Human Capital Management reported that DC Water management recently enhanced annual tuition assistance for employees for both undergraduate and graduate programs. Employees are now eligible for up to \$5000 per year. In addition, education assistance is also being offered to employees with at least one-year of service, by providing financial assistance during the initial phase of their academic enrollment process. Certification preparation course work has also been updated as well. Carla Reid commended agency for fostering programs that would equip employees with tools to improve themselves.
- B. Mr. Green stressed that the enhanced tuition assistance program tied into the Board's Strategic Plan by offering more opportunities for employees to expand their knowledge and education base and enhance the workforce.
- C. Ms. Boucher inquired if DC Water management had conducted a fiscal impact analysis of the tuition assistance enhancement. Christopher Carew and George Hawkins advised the Committee that no formal fiscal impact analysis had been done but that they believed that sufficient funds for implementing the enhancement exist in the FY13 budget. They noted that the program will always be implemented through an approved budget. They also emphasized desires for agency to improved educational opportunities as well as compliment its best practices initiatives. Mr. Green noted that the annual

budget allocation for tuition assistance in recent years had been \$35,000 and that the full allocation had never been used. The Committee supported the tuition assistance enhancement at this stage given the low order of magnitude in terms of budget impact and potential for big pay off in terms of enhancing workforce training and skills.

3. Results of the 2013 Dependent Verification Audit

Otho Milbourne, Manager, Benefits gave an overview of the 2013 Dependent Care Coverage Audit which was conducted for the purpose of determining the extent to which employee dependent care health care coverage complied with existing eligibility requirements. Human Capital Management's Benefits branch collaborated with consultant, Aon Hewitt, to inform employee about the audit notification and verification processes, which included defined proof of documents requests (i.e., birth certificate, marriage license, etc.). Final results showed that 19% (294) of listed dependents were ineligible for dependent care coverage. Taking these individuals off of employee health insurance coverage will result in an estimated \$600K annual savings for the first year and \$1.2M for the next five-year savings. Ms. Boucher asked DC Water management whether they have developed any new internal controls to help them maintain 100% compliance with dependent care coverage eligibility rules going forward. Mr. Roth inquired about documentation for domestic partners and same-sex marriages. Mr. Milbourne affirmed that, during the new hire process, DC Water will require potential employees to provide the same documentation that was required during the audit for all dependents (spouse, domestic partner, children, etc.).

4. Action Items

Mr. Milbourne, Manager, Benefits presented the 2013 annual renewal rate increase for Cigna Healthcare and Kaiser Foundation Health plans. DC Water management recommended approval of new one-year option contracts that authorize a Cigna rate increase is 5.9%, and a Kaiser rate increase is 11.5%. Kaiser's initial request was for a 16% increase but Aon Hewitt recommended 11.5% based on a more recent claims analysis. Cigna's initial request was for a 5.9% increase and Aon Hewitt consulting agreed with this request. Both contract requests are to exercise an additional option year will be presented to the Board. Mr. Roth commended Mr. Milbourne for selecting providers that rank 1st and 2nd as HMO/PPO insurance carriers per Consumer Report stats. Chair Boucher made formal recommendation to the committee that the contracts be presented the Board for approval. There was a unanimous agreement by all committee members to forward the contracts to the Board for approval.

5. Executive Session - the committee moved to executive session. The executive session commenced at 11:40 a.m., to discuss personnel matters pursuant to D.C. Official Code § 2-575(b)(10) and collective bargaining negotiations §2-575(b)(5) of the Open meeting Act of 2010. The executive session ended and meeting was adjourned at 12:53 p.m