

September 6, 1983

1984 P&E Bargaining
Settlement
LETTER5. Health Maintenance Organizations

During the course of bargaining on the Benefit Agreement, the parties agreed to provide an alternative Health Maintenance Organization Option to employees in the East Bay Division by expanding the Lifeguard Plan to extend coverage to those areas of the East Bay which are not currently included in this Health Plan.

6. Medical Cost Containment

During the 1982 bargaining, Company and Union recognized a need to expand the functions of the Joint Health and Dental Committee because of the rising cost of medical care. A goal of \$3 million per year was set as a savings by that Committee. During the current discussions of Health and Medical benefits several proposals were made by the parties as items perceived to be within the scope of cost containment. As a result of these discussions it was agreed by the parties that the Joint Health and Dental Committee should study the cost savings potentials of a Prescription Drug Program, Routine Physical Examinations and modification or removal of the Hold Harmless provision of the Blue Cross Agreement.

7. Retirement Estimates

During negotiations on the Benefit package, Union expressed a desire to provide retiree's with additional information regarding the pension plan and clearer explanations of employee options under the Plan. Accordingly, the Company agreed to review the current format with the Union with the intention of refining, expanding and clarifying the format in such a way as to provide participants with more specific information regarding the plan and the options provided therein. Furthermore, the parties agreed that any suggestions which the Union may provide to facilitate these modifications would be given serious consideration as would suggestions for improving Company's program for preparing employees for their upcoming retirement.

8. Military Leave of Absence

Company agreed to remove the word "consecutive" from Standard Practice 725-1, Paragraph 12b, entitled "Inactive Military Training Duty."

9. Grievance Procedure - Local Investigations

In our discussions on the Grievance procedure it was agreed that investigations would be limited the minimum necessary to resolve the issues. To accomplish this, the parties agreed to encourage the appropriate committees to limit their investigations in the following manner: If there is more than one grievant and the grievance issue is the same for all, Union's Local Investigating Committee members shall select one of the grievants as a representative for the group to be present during the Local Investigating Committee's interview; and both Company and Union will be encouraged to stipulate, in writing, to other facts or testimony the other grievants would provide.