



COUNTY *of* NAPA

MARK GREGERSEN
Human Resources Director

August 11, 2006

Ms. Becky Flanigan
SEIU Local 614
1810 Jefferson Street
Napa, CA 94559

Mr. William M. Glisson
President, NAPE
1810 Jefferson Street
Napa, CA 94559

RE: Side Letter Agreement on 2007 Health Insurance

Dear Becky:

This will confirm the understanding reached on behalf of the PSE and PSE Supervisory units during our August 3, 2006 negotiations over the cancellation of the County Kaiser health plan effective December 31, 2006.

SIDE LETTER AGREEMENT

1. Effective December 31, 2006, the existing Kaiser \$5 co-pay health plan ("Direct Kaiser Plan") shall be discontinued.
2. Effective for health insurance plan year 2007, the County's minimum monthly required contributions to available health plan shall be the lesser of the monthly premium of the employee's selected plan or:
 - a. Subscriber Only- \$421.64
 - b. Subscriber Plus One-\$819.84
 - c. Subscriber Plus Two or More-\$1,059.24

For those employees enrolled in a CalPERS PEMCHCA health plan, these County contributions include the enrollment contribution amount legally mandated under PEMHCA.

3. Effective for health insurance plan year 2007, for retirees participating in the Sick Leave Conversion or the Long-Term Service Conversion health benefits, the County-paid single party health coverage referred to in Articles 43.10(a) and (b) of the MOU shall be the Subscriber only - CalPERS Kaiser monthly premium rate of \$431.17.

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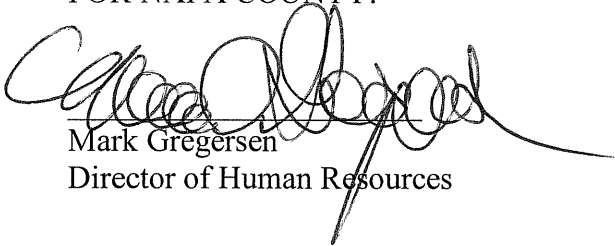
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4. Retired employees are subject to the same health plan benefit levels as active employees and any changes thereto. If a health plan has been abandoned or replaced, then the retired employees may select another health plan offered by the County.
5. This Side Letter Agreement shall be binding upon ratification by the members of PSE and PSE Supervisory units and approval of the Napa County Board of Supervisors.

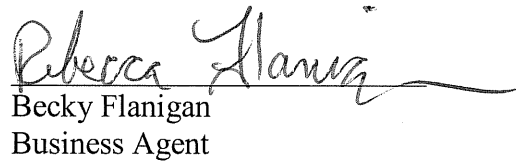
The signatures below indicate concurrence with and acceptance of the terms of this Side Letter Agreement which supersede any inconsistent or conflicting provisions of the current labor agreements in effect between the parties.

FOR NAPA COUNTY:

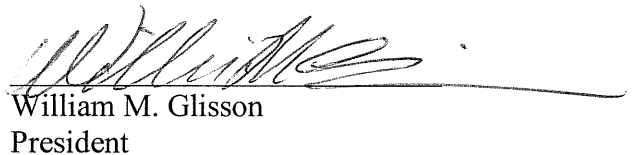
FOR SEIU LOCAL 614, NAPE:



Mark Gregersen
Director of Human Resources



Becky Flanigan
Business Agent



William M. Glisson
President

Cc: Jackie Gong, Deputy County Counsel