BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT

RESOLUTION NO. 18 -

APPROVING COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE (JULY 1, 2018 THROUGH JUNE 30, 2022)

WHEREAS, California Code Regulations (CCR), Title 2, Section 570. 5 was adopted by CaIPERS to provide specific requirements on how public agencies should document pay rates for public employees; and

WHEREAS, at its regular meeting on March 21, 2018, the Board approved the terms of Memoranda of Understanding between the Santa Clara Valley Water District and each of its three bargaining units Employees Association AFSCME Local 101, Engineers Society – IFPTE Local 21, and Professional Managers Association – IFPTE Local 21, all for the period of January 1, 2018 through December 31, 2022 (MOUs); and

WHEREAS, each of the three MOUs set forth salary ranges for the represented classifications and included a 4% salary increase for each year of the MOUs starting the first full pay period in July 2018; and

WHEREAS, each of the three MOUs set forth the terms of employment benefits to be received by the represented classifications including, but not limited to, medical plan, vision care, dental, life and disability insurance, pension, retiree health benefits, deferred compensation, and paid leave; and

WHEREAS, attached as Exhibit-A is a Compensation Plan for Unrepresented Employees in the Executive Service (July 1, 2018 through June 30, 2022), which sets forth employment benefits for these Executive employees and sets forth annual 4.0% cost of living adjustments effective the first full pay period in July 2018, to mirror increases for classified employees, and to minimize future compaction issues; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Santa Clara Valley Water District does hereby approve and adopt the Compensation Plan for Unrepresented Employees In The Executive Service (July 1, 2018 through June 30, 2022), attached hereto as Exhibit “A”. The District reserves the right to modify the terms of this Compensation Plan during its term through further resolution.

PASSED AND ADOPTED by the Board of Directors of Santa Clara Valley Water District by the following vote on March 21, 2018:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

RICHARD P. SANTOS
Chair/Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk/Board of Directors

EXHIBIT A
COVERSHEET

SANTA CLARA VALLEY WATER DISTRICT

COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE

(JULY 1, 2018 THROUGH JUNE 30, 2022)

No. of Pages: 9

SANTA CLARA VALLEY WATER DISTRICT

COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE

(JULY 1, 2018 THROUGH JUNE 30, 2022)

INTRODUCTION

In addition to classified employees represented by three bargaining groups, the Santa Clara Valley Water District (District) currently employs unrepresented employees in the Unclassified Service of the District pursuant to District Personnel Ordinance 2000-01, section 2.6 ("Executive Employees"). The District also has three Board Appointed Officers ("BAOs") which consist of the Chief Executive Officer, the District Counsel, and the Clerk of the Board. Executive Employees and BAOs are collectively referred to as "Employees" and the terms "Executive Employees" and "BAOs" shall be utilized where there is a distinction in the application of this plan. Except where expressly noted, this document sets forth the terms for compensation and conditions of employment for Employees for the period from July 1, 2018 through June 30, 2022 ("Compensation Plan"). The terms of this Compensation Plan do not constitute a contract and are not intended to create a contract with Employees. The terms of this Compensation Plan are not intended to create any vested right to retirement health benefits set forth herein. The terms of this Compensation Plan may be amended or modified at any time during the effective period through a resolution passed by the District's Board of Directors.

The provisions of section I (Salary and Compensation) shall not apply to the three BAOs since they each have employment contracts and their salaries are determined by the District's Board. The remaining terms apply to the BAOs except where specifically excluded herein and except where the BAO's respective written employment agreements with the District provide otherwise.

I. SALARY AND COMPENSATION

A. GOALS AND COMPENSATION DEFINITIONS

It is the goal of the Board of Directors to try to achieve a total compensation package for all Executive Employees that is competitive compared to agencies that compete with the District for talent. The Board's goal is to attract and retain the most qualified Executive Employees in accordance with the District's ability to pay.

Total Compensation for survey purposes shall be defined as: Top step salary plus other compensation factors which will be calculated with the same methodology used for the District's three bargaining groups.

B. COMPENSATION SURVEYS

To measure progress towards the above-stated goal, the District shall survey all Executive positions in the final year of the term of the Compensation Plan so the results will be available in advance of any successor Compensation Plan.

C. SALARY INCREASES

1) Effective the pay period including July 1, 2018, the District will increase the salary ranges for all Executive Employee classifications by 4.0%.

2) Effective the pay period including July 1, 2019, the District will increase the salary ranges for all Executive Employee classifications by 4.0%.

3) Effective the pay period including July 1, 2020, the District will increase the salary ranges for all Executive Employee classifications by 4.0%.

4) Effective the pay period including July 1, 2021, the District will increase the salary ranges for all Executive Employee classifications by 4.0%.

II. INSURANCE

A. HEALTH INSURANCE

1) Health Insurance for Active Employees

Medical, Dental, Vision Care, and EAP benefits are provided by the District. Employees pay 15% towards the District's monthly premium cost for medical coverage. Dental, and Vision Care is provided by the District with no monthly premium cost to the Employee.

Medical, Dental, Vision Care and EAP benefits are provided to all regular Employees and their eligible dependents including registered same sex domestic partners, or domestic partners of the opposite sex age 62 or over, who meet the eligibility criteria. Domestic partner coverage is taxable income for federal income tax purposes.

Employees may only receive coverage under one plan; either as single coverage or family coverage and either as the primary subscriber or as a dependent under the plan of a spouse or registered domestic partner who is a regular District employee. Eligible dependents will only be covered under one employee's medical plan.

MEDICAL INSURANCE
The District currently provides the choice between three medical plans:

Kaiser Permanente HMO – Requires enrolled members and their dependents to utilize Kaiser Permanente physicians and facilities for all their medical services.

Blue Shield HMO - Requires enrolled members and their dependents to choose a Primary Care Physician (PCP) within a specified medical group, which will coordinate and direct all their medical services. The assigned PCP can refer the members to Specialty Physicians within the medical group.

Blue Shield PPO - Enrolled members and their dependents can choose any physician or facility for their medical services. If a Blue Shield participating physician, hospital or other participating provider is utilized, the out-of-pocket expenses could be reduced. These providers have agreed to accept Blue Shield's payment plus any applicable deductibles and co-pays.

While the District provides the three medical plans as of the start date of this Compensation Plan, they may be changed at the sole discretion of the District upon prior notice to Employees.

DENTAL INSURANCE
All Employees and their dependents are to enroll in the Delta Dental plan with no monthly premium cost to Employees. The District's Delta Dental PPO/Premier Plan is an incentive plan that encourages the members to maintain their dental health by seeing a dentist regularly. Provided the members see a dentist at least once each calendar year for diagnostic and preventive services, the coverage will increase by 10% each year until 100% coverage for most services is obtained. The first year of coverage starts at 70%, second year would increase to 80%, the third year would increase to 90%, and the fourth year, the coverage will remain at 100%. If regular dental screenings are not maintained, Delta Dental has the option to reduce your level of coverage.

VISION PLAN

Vison coverage is based on medical plan the Employee chooses. If Kaiser is the selected medical plan, vision coverage is provided through Kaiser's Vision Care Services (VSP). There is no extra cost associated with Kaiser's vision coverage – it is built into the medical plan premium. VSP is offered to those Employees enrolled in the Blue Shield HMO or PPO plans. The premiums are 100% paid by the district. Both the Kaiser plan and the VSP plan are standard vision coverage plans, which offer annual eye exams, frame and lenses allowances. Employees who choose to waive medical insurance are ineligible for vision coverage.

2) Health Insurance for Retirees

Retirement Health Benefits for Employees Hired prior to 12/30/2006

Medical coverage is provided for retired Employees with 10 years of continuous District service.

Medical, Dental and Vision coverage is provided for retired Employees and one eligible dependent with 15 or more years of continuous District service.

Medical, Dental and Vision coverage is provided for retired Employees plus two (2) or more eligible dependents with 25 or more years of continuous District service.

Retirement Health Benefits for Employees Hired on or after 12/30/2006 and prior to 3/1/2007

Medical coverage is provided for eligible retired Employees with 10 years of continuous District service. Medical premium cost sharing is required with the same contribution percentage as active employees and based on the medical premium amount applicable to active employees or retirees, whichever is less.

Medical, Dental and Vision coverage is provided for eligible retired Employees and one eligible dependent with 15 or more years of continuous District service. Medical premium cost sharing is required with the same contribution percentage as active Employees and based on the medical premium amount applicable to active Employees or retirees, whichever is less.

Medical, Dental and Vision coverage is provided for eligible retired Employees plus two (2) or more eligible dependents with 25 or more years of continuous District service. Medical premium cost sharing is required with the same contribution percentage as active Employees and based on the medical premium amount applicable to active Employees or retirees, whichever is less.

Retirement Health Benefits for Employees Hired on or after 3/1/2007

Medical coverage is provided for eligible retired Employees with 15 years of continuous District service. Medical premium cost sharing is required with the same contribution percentage as active Employees and based on the medical premium amount applicable to active Employees or retirees, whichever is less.

Medical coverage is provided for eligible retired Employees and one eligible dependent with 20 or more years of continuous District service. Medical premium cost sharing is required with the same contribution percentage as active Employees and based on the medical premium amount applicable to active employees or retirees, whichever is less.

B. LIFE INSURANCE

District provides life insurance benefits equal to the Employee's annual salary up to a maximum benefit of $100,000 with a five-year phase out in declining increments of $10,000 per year starting with $50,000 coverage upon retirement. The premium attributable to life insurance benefit exceeding $50,000 is considered "imputed income" and must be reported as taxable earnings on the W-2 statement each year, as required by the IRS.

Optional supplemental life insurance available in amounts equal to 1, 2, 3 or 4 times annual salary to a maximum benefit of $500,000 is available at Employee cost.

C. DISABILITY INSURANCE

District provides Short Term Disability (STD) equal to 66 2/3% of salary to a maximum weekly benefit of $3,500 with a 14-day waiting period. STD may transition into Long Term Disability (LTD) after 180 days of disability and then provide 66 2/3% of salary to a maximum monthly benefit of $15,000.

III. RETIREMENT

The District will continue to participate in the California Public Employees' Retirement System (CalPERS) with benefits as currently provided at the 2.5% @ 55 Formula Benefit Level for Employees hired prior to March 19, 2012. Employees hired March 19, 2012 or thereafter, will participate in the California Public Employees' Retirement System (CalPERS) with benefits provided in the contract with PERS at the 2% @ 60 formula Benefit Level. Employees hired January 1, 2013 or thereafter who qualify as "New Members" under the California Public Employees' Pension Reform Act of 2013 (PEPRA) will be placed in the CalPERS formula of 2.0% @ 62 (2.5% @ 67). All pension benefits are subject to the provisions of the District's contract with CalPERS, as amended from time to time, the items of which are incorporated by reference as if fully set forth herein.

A. CLASSIC MEMBERS HIRED PRIOR TO 3/19/2012

California Public Employees Retirement System (CalPERS) **2.5% at 55** retirement plan with final compensation of highest 12 consecutive months. Employees are required to pay the following contributions towards their pension benefits which includes the employee required contribution as well as an additional amount towards the employer's contribution. These deductions will be pre-tax to the extent allowable by law;

Effective Date of Employee Contributions	Classic Employee Contribution Rate
Effective the first full pay period in July of 2018	9.5%
Effective the first full pay period in July of 2019	10.0%
Effective the first full pay period in July of 2020	10.5%
Effective the first full pay period in July of 2021	11.0%

B. CLASSIC MEMBERS HIRED ON OR AFTER 3/19/2012

California Public Employees Retirement System (CalPERS) **2.0% at 60** retirement plan with final compensation of highest 36 consecutive months. Employees are required to pay the following contributions towards their pension benefits which includes the employee required contribution as well as an additional amount towards the employer's contribution. These deductions will be pre-tax to the extent allowable by law;

Effective Date of Employee Contributions	Classic Employee Contribution Rate
Effective the first full pay period in July of 2018	9.5%
Effective the first full pay period in July of 2019	10.0%
Effective the first full pay period in July of 2020	10.5%
Effective the first full pay period in July of 2021	11.0%

C. NEW MEMBERS HIRED ON OR AFTER 1/1/2013

California Public Employees Retirement System (CalPERS) **2.0% at 62** retirement plan with final compensation of highest 36 consecutive months. Employees are required to pay the following contributions towards their pension benefits which includes the employee required contribution as well as an additional amount towards the employer's contribution. These deductions will be pre-tax to the extent allowable by law;

Effective Date of Employee Contributions	Employee Contribution Rate
Effective the first full pay period in July of 2018	50% of total normal cost as determined by CalPERS plus an additional 0.50%
Effective the first full pay period in July of 2019	50% of total normal cost as determined by CalPERS plus an additional 1.0%
Effective the first full pay period in July of 2020	50% of total normal cost as determined by CalPERS plus an additional 1.50%
Effective the first full pay period in July of 2021	50% of total normal cost as determined by CalPERS plus an additional 2.0%

IV. LEAVES OF ABSENCE

A. SICK LEAVE

Sick leave is accrued at the rate of 1 day per month (96 hours per year) with unlimited accumulation.

Upon resignation, with 10 or more years of District service, up to 480 hours of accrued sick leave shall be paid at 25% of the equivalent cash value.

Upon retirement (filed for CalPERS retirement), regardless of District years of service, sick leave may be paid out as follows:

- Sick leave balance *up to* 480 hours is paid out at 50% of the equivalent cash value. Any remaining balance above 480 hours may be converted into additional CalPERS service credit. Sick leave hours above 480 will not be paid out.
- Entire accrued sick leave balance may be converted into additional CalPERS service credit. No sick leave hours will be paid out.
- Combination of any portion (*up to 480 hours*) of the sick leave balance is paid out at 50% and any remaining balance may be converted into additional CalPERS service credit. Sick leave hours above 480 will not be paid out.

Upon death, all accrued, unused sick leave will be paid at 100% of the cash value.

Any other payout of accrued sick leave upon separation of employment must be approved by the Chief Executive Officer. Any such approved payout shall not exceed 480 hours of accrued sick leave and shall be at the rate of 25% of the equivalent cash value.

Sick Leave Conservation Program
Employees with a minimum of one (1) year of service who have used no more than twenty-seven (27) sick leave hours during the preceding twelve (12) month period may convert up to twenty-four (24) hours to cash, additional vacation time or a combination of both. Elections to cash out sick leave must be made in the calendar year prior to the cash out.

B. VACATION LEAVE

Newly hired Employees receive 224 hours (28 days/year) of prorated vacation based on date of hire. The prorated amount is vested immediately for the remainder of the fiscal year and is available for use upon approval of the Employee's Appointing Authority. Starting the following fiscal year, vacation shall accrue as set forth below for current Employees.

Beginning each fiscal year, current Employees receive 224 hours (28 days/year) of vacation, which is vested immediately for the entire fiscal year, and may be accumulated up to 4 times entitlement.

Employees may elect either a cash pay-off for up to 21 days (168 hours) or have all or a portion of the cash value transferred to a Deferred Compensation Plan once each year. Elections to cash out vacation must be made in the calendar year prior to the cash out.

In recognition of Employees' exempt status under FLSA, time off for vacation leave purposes shall not be deducted from his or her vacation accrual unless her or she is absent for four hours or more of the full workday.

C. EXECUTIVE/PERSONAL LEAVE

24 hours of executive leave and 32 hours of prorated personal leave provided upon hire and annually thereafter. Leave may be converted to cash or credited to a deferred compensation plan at any time during the fiscal year. Automatically paid-out if no election is made.

D. HOLIDAYS

12 designated days per calendar year.

E. BEREAVEMENT LEAVE

3 days of bereavement leave for obligations arising from the death of a parent (including in-law), a grandparent, a spouse, a child (including grandchild), a sibling (including in-law), a registered domestic partner, or any member of the immediate household of the Employee. Additional time may be charged to sick leave for a total leave (3 days of bereavement leave plus sick leave) not to exceed 14 consecutive calendar days.

F. CATASTROPHIC LEAVE

A leave without pay may be granted by the Employee's Appointing Authority for a period not to exceed six months, and such leave may be extended upon approval of the CEO for a further period not to exceed six months based upon unforeseen, catastrophic events that directly impact the Employee. Considerations for granting such leave shall include, but not be limited to: (1) the length of service rendered by the Employee; (2) the impact on District operations; and (3) the need for and availability of a temporary replacement.

V. OTHER BENEFITS

A. DEFERRED COMPENSATION CONTRIBUTION

A 457(b) Deferred Compensation plan is available. Annual District matching contributions is provided when enrolled in District's 401(a) Defined Contribution Match Plan as follows: Executive Employees $8,000.

B. FLEXIBLE SPENDING ACCOUNTS (FSA)

Health Care Spending Account – Maximum contribution up to the maximum amount allowed by law ($2,650 in 2018) for eligible medical, dental, vision and prescription expenses.

Dependent Adult or Child Daycare – Maximum contribution as determined by the IRS (for 2018: $5,000 per family or $2,500 if Executive Employees file taxes "Married Filing Separately" per calendar year.)

C. EMPLOYEE ASSISTANCE PLAN

The District provides an Employee Assistance Program (EAP) to the Employees and their dependents with no monthly premium cost to Employees. This program is available 24 hours a day, 365 days a year and is staffed by licensed credentialed counselors and provides information, referrals and short-term counseling for personal issues affecting work or personal life. Supervisors and Managers may also utilize the EAP for assistance with their employee performance concerns.

D. TUITION ASSISTANCE PROGRAM

Executive Employees with six (6) or more months of continuous service, up to 100% reimbursement of tuition costs upon satisfactory completion of an approved college course(s) to a maximum of $2,500 per fiscal year.

Upon prior written approval by their respective BAO, Executive Employees may also enroll in and receive full

reimbursement for specialized training programs targeted to executives such as the Berkeley Executive Seminar.

E. MEMBERSHIPS AND CERTIFICATIONS

Costs related to job related certifications and memberships in professional organizations will be eligible for reimbursement.

F. COMMUTER CHECKS

Pre-tax deductions are allowed up to the IRS maximum for the purchase of Commuter Checks which can be used as payment for any public transportation or to pay for qualified vanpools.

G. CREDIT UNIONS

Membership is available at the Santa Clara County Employees Credit Union and the Commonwealth Credit Union.

H. CAR ALLOWANCE

Unless changed in future contracts, BAOs are eligible for a monthly care allowance as follows: CEO and District Counsel ($600); Clerk of the Board ($450). Mileage is paid for out of county District business in addition to the monthly car allowance. This section does not apply to Executive Employees.