

**BOARD OF DIRECTORS
SANTA CLARA VALLEY WATER DISTRICT**

RESOLUTION NO. 21-

**PROVIDING FOR THE COMPENSATION OF THE CHIEF EXECUTIVE OFFICER,
A BOARD-APPOINTED OFFICER OF THE SANTA CLARA VALLEY WATER DISTRICT**

BE IT RESOLVED, by the Board of Directors of the Santa Clara Valley Water District (Valley Water) as follows:

1. Prior resolutions of the Board, to the extent that they may conflict with the provisions hereof, are hereby superseded and rescinded. This Resolution shall be effective July 13, 2021.
2. The salaries, wages, compensation, and expenses provided herein shall be in full for all official services performed unless expressly otherwise provided and shall be paid on the basis of the biweekly pay period plan. Compensation shall be payable on or before the seventh (7th) calendar day after conclusion of each biweekly pay period for services rendered during the preceding biweekly pay period. All officials and employees of the Santa Clara Valley Water District shall charge, collect, and pay all fees required by law to be charged, collected, and paid into the proper fund of Valley Water and no officer or employee of Valley Water shall be compensated by fees.
3. The total salary of the Chief Executive Officer shall be that amount approved by the Board of Directors and formulated in this paragraph. As of June 14, 2021, the Chief Executive Officer shall receive a further salary adjustment for a new adjusted annual salary of \$_____.
4. In addition to an annual salary as set forth in paragraph 3, Valley Water shall continue to assume payment of the unclassified benefits that are in effect on the effective date of approval of this Resolution.
5. A July 2021 Amendment to Employment Agreement Between Santa Clara Valley Water District and Enrico L. Callender (Exhibit A), sets forth a formal written amendment to the original Employment Agreement with the updated annual salary. This Amendment is hereby approved, and the Chair of the Board is authorized to execute this Amendment.

PASSED AND ADOPTED by the Board of Directors of the Santa Clara Valley Water District by the following vote on July 13, 2021:

AYES: Directors

NOES: Directors

ABSENT: Directors

ABSTAIN: Directors

SANTA CLARA VALLEY WATER DISTRICT

TONY ESTREMER
Chair, Board of Directors

ATTEST: MICHELE L. KING, CMC

Clerk, Board of Directors

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EXHIBIT A COVERSHEET

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN SANTA CLARA VALLEY WATER DISTRICT AND ENRICO L. CALLENDER

No. of Pages: 8

Exhibit Attachments: Attachment 1: Valley Water Unclassified Employee Benefits

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EXHIBIT A

**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN
SANTA CLARA VALLEY WATER DISTRICT
AND ENRICO L. CALLENDER**

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**SECOND AMENDMENT TO EMPLOYMENT AGREEMENT BETWEEN
SANTA CLARA VALLEY WATER DISTRICT AND ENRICO L. CALLENDER**

This Second Amendment to the Employment Agreement between Santa Clara Valley Water District and Enrico L. Callender is entered into effective July 13, 2021.

RECITALS

- A. Whereas, on May 26, 2020, the Santa Clara Valley Water District and Enrico L. Callender executed an original Employment Agreement with an effective date of July 11, 2020 (Original Agreement) for Mr. Callender's service as Chief Executive Officer with an annual salary of \$326,352.00.
- B. Whereas, on June 9, 2020, the Santa Clara Valley Water District Board of Directors approved changes to the salary table for all employees changing the minimum annual salary for the Chief Executive Officer position to \$341,411.20.
- C. Whereas, on July 28, 2020, the Board of Directors approved a salary increase to \$341,411.20 effective July 11, 2020, and a corresponding amendment to Employee's employment agreement.
- D. Whereas, on June 8, 2021, the Board of Directors approved changes to the salary table for all employees changing the minimum annual salary for the Chief Executive Officer position to \$357,032 and changing the maximum annual salary to \$407,035.20.
- E. Whereas, on July 13, 2021, the Board of Directors approved a salary increase to \$_____ effective June 14, 2021, and a corresponding amendment to Employee's employment agreement.
- F. The parties wish to amend the Original Agreement, to provide for the updated annual salary, to update the duties provision, to increase the deferred compensation match from \$4,000 per year to \$8,000 per year, and to allow for teleworking in accordance with any approved Valley Water policy.

NOW THEREFORE, in consideration of the mutual obligations in this Second Amendment, the prior amendment, and the Original Agreement, the parties agree as follows:

- 1. Paragraph 3 of the Original Agreement is modified to read in its entirety as follows:

3. Duties.

3.1 General duties. Employee will perform the duties of Valley Water's Chief Executive Officer as set forth in: (a) the job description approved by the Board; (b) the Board's Governance Policies; (c) direction of the Board approved by a majority of the Board at a lawfully held meeting; and (d) as otherwise provided by law, ordinances, resolution, or regulation. Employee will devote his full energy, skill, and ability to the performance of Employee's duties. Employee will perform his duties and exercise his powers consistent with due diligence, according to the highest professional standards and in compliance with all federal, state, and local laws, ordinances, and regulations which are applicable to or associated with the performance of such duties. Further, in carrying out these duties Employee will adhere to Valley Water Values, as set forth in the Board's Governance

Policies, and to Valley Water's Administrative Policy AD-2.11 (Ethics and Business Conduct), as updated from time to time.

3.2 Outside employment/activities. Employee will not engage in any activity, whether or not for compensation, which is actually or potentially in conflict with, inimical to, or which interferes with the performance of Employee's duties. Employee will not engage in any new business duties or pursuits or render any services of a business, commercial, or professional nature without the prior consent of the Board.

3.3 Notification of absences. Employee will inform the Board in advance of absences from Valley Water work of more than one day during normal Valley Water workdays.

3.4 Telework. Employee is hereby authorized to telework on terms and conditions consistent with those in any approved Valley Water telework policy, as such policy may be amended from time to time.

2. Paragraph 4 of the Original Agreement is modified to read in its entirety as follows:

4. Compensation.

Effective June 14, 2021, Valley Water agrees to pay Employee an annual base salary of \$_____ per annum payable in installments in accordance with Valley Water's usual payroll schedule. Thereafter and subject to an annual evaluation of Employee's performance and salary, the Board may, by resolution approving an amendment to this Agreement, increase Employee's salary based on merit and/or market factors. Nothing in this provision requires the Board to use a set formula or to provide a merit or other salary increase following the annual evaluation, but the Board will act in good faith in determining whether a salary adjustment is warranted. The Board will determine the amount of any salary adjustment no later than October 1 each year and shall have discretion to make any adjustment retroactive to the immediately preceding July 1.

3. Paragraph 5 of the Original Agreement is modified to read in its entirety as follows:

5. Benefits and Allowances.

Employee will be eligible for, and will receive, all regular benefits and leave allowances as generally provided to employees in Valley Water's unclassified service and as set forth in **Attachment 1**, Unclassified Employee Benefits (effective July 1, 2021). With respect to the Deferred Compensation Plan benefit, Employee shall receive Eight Thousand and no/100 dollars (\$8,000.00) in annual matching contributions from Valley Water. Employee understands and agrees that Valley Water may periodically modify these Unclassified Employee Benefits.

4. "Attachment B" in the Original Agreement is replaced in its entirety by Attachment 1 to this Second Amendment.
5. All provisions of the Original Agreement, except as modified by this Second Amendment, remain in full force and effect, and are reaffirmed.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the day and year first written above.

By: _____
Enrico L. Callender
Chief Executive Officer

ATTEST:

By: _____
Tony Estremera
Chair, Board of Directors

By: _____
Michele L. King, CMC
Clerk, Board of Directors

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ATTACHMENT 1

VALLEY WATER UNCLASSIFIED EMPLOYEE BENEFITS

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VALLEY WATER
Unclassified Employee Benefits
(Effective 7-1-2021)

BENEFIT	SUMMARY
Vacation	<ul style="list-style-type: none"> ➤ 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 the Deferred Compensation Plan once each year. Elections to cash out vacation must be made in the calendar year prior to the cash out.
Sick Leave	<p>Sick leave is accrued at the rate of 1 day per month (96 hours per year) with unlimited accumulation.</p> <ul style="list-style-type: none"> ▪ Upon resignation, with 10 or more years of service with Valley Water, 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 years of service with Valley Water, sick leave may be paid out as follows: <ul style="list-style-type: none"> ○ Sick leave balance <i>up to</i> 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 (<i>up to 480 hours</i>) 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. <p>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.</p>
Sick Leave Conservation	<p><u>Sick Leave Conservation Program</u> - 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. Elections to cash out sick leave must be made in the calendar year prior to the cash out.</p>
Executive Leave & Personal Leave	<p>24 hours of executive leave and 32 hours of prorated personal leave provided upon hire. Leave may be converted to cash or credited to the deferred compensation plan at any time during the fiscal year. Automatically paid-out if no election is made.</p>
Bereavement Leave	<p>3 days of bereavement leave for obligations arising from the death of a family member as defined in the At-Will Policy for Employees in the Unclassified Service. Additional time may be charged to sick leave for a total leave (3 days of bereavement leave plus sick leave) not to exceed 10 consecutive working days.</p>
Holidays	<p>12 designated days per calendar year.</p>
CalPERS Retirement for Classic Members Hired Prior to 3/19/2012	<p>California Public Employees Retirement System (CalPERS) 2.5% at 55 retirement plan with final compensation of highest 12 consecutive months. The current required employee contribution is 11% (8.0% for the member contribution and 3% towards Valley Water's CalPERS contribution. The additional amount over and above the required employee contribution will increase by 0.5% each fiscal year). Contributions are pre-tax payroll deductions.</p>
CalPERS Retirement for Classic Members Hired On or After 3/19/2012	<p>California Public Employees Retirement System (CalPERS) 2.0% at 60 retirement plan with final compensation of highest 36 consecutive months. The current required employee contribution is 11% (7.0% for the member contribution and 4% towards Valley Water's CalPERS contribution. The additional amount over and above the required employee contribution will increase by 0.5% each fiscal year). Contributions are pre-tax payroll deductions.</p>
CalPERS Retirement for New Members	<p>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 50% of the total normal cost as determined by the annual CalPERS valuation and is subject to change each fiscal year. The current required employee contribution is 8.75% (6.75% for the member contribution and 2%</p>

Hired On or After 1/1/2013	towards Valley Water's CalPERS contribution. The additional amount over and above the required employee contribution will increase by 0.5% each fiscal year). Contributions are pre-tax payroll deductions.
Retirement Health Benefits for Employees Hired Prior to 12/30/2006	<p>Medical coverage is provided for retired employees with 10 years of continuous service with Valley Water.</p> <p>Medical, Dental and Vision coverage is provided for retired employees and one eligible dependent with 15 or more years of continuous service with Valley Water.</p> <p>Medical, Dental and Vision coverage is provided for retired employees plus two (2) or more eligible dependents with 25 or more years of continuous service with Valley Water.</p>
Retirement Health Benefits for Employees Hired on or after 12/30/2006 and Prior to 3/1/2007	<p>Medical coverage is provided for retired employees with 10 years of continuous service with Valley Water. 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.</p> <p>Medical, Dental and Vision coverage is provided for retired employees and one eligible dependent with 15 or more years of continuous service with Valley Water. 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.</p> <p>Medical, Dental and Vision coverage is provided for retired employees plus two (2) or more eligible dependents with 25 or more years of continuous service with Valley Water. 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.</p>
Retirement Medical Benefits for Employees Hired On or After 3/1/2007	<p>Medical coverage is provided for retired employees with 15 years of continuous service with Valley Water. 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.</p> <p>Medical coverage is provided for retired employees and one eligible dependent with 20 or more years of continuous service with Valley Water. 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.</p>
Health Insurance	<p>Medical, Dental, Vision Care and EAP benefits are provided by Valley Water. Employees pay 15% towards Valley Water's monthly premium cost for medical coverage. Dental, Vision Care and EAP coverage is provided by Valley Water with no monthly premium cost to the employee.</p> <p>Medical, Dental, Vision Care and EAP benefits are provided to all regular employees and their eligible dependents including domestic partners. Domestic partner coverage is taxable income for federal income tax purposes.</p> <p>Valley Water 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 domestic partner who is a regular Valley Water employee. Eligible dependents will only be covered under one employee's medical plan.</p>
Disability Insurance	Valley Water provides Short Term Disability (STD) equal to 66 2/3% of salary to a maximum weekly benefit of \$3,462 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.
Life Insurance	<p>Valley Water provides life insurance benefits equal to 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.</p> <p>Optional supplemental life insurance available in amounts equal to 1, 2, 3 or 4 times annual salary to a maximum benefit of \$750,000 is available at employee cost.</p>
Pet Insurance	Valley Water offers pet insurance through Nationwide. Employees have the option to enroll one or more pets and can choose from three levels of coverage with My Pet Protection.
Other	Board Appointed Officers (BAO) are eligible for a monthly car allowance as follows: CEO & General Counsel = \$600 / Clerk of the Board = \$450. Mileage is paid for out-of-county Valley Water business in addition to monthly car allowance.
	Valley Water owned communication devices are provided, including cell phones, pagers, two-way radios, tablets, and computers. A monthly stipend for smart phones is provided.
	Tuition Assistance Program – Unclassified employees with six (6) or more months of continuous service, up to 100% reimbursement of tuition costs upon satisfactory completion of an approved course to a maximum of \$2,000 per fiscal year.

	<p>Employee Assistance Program (EAP) – Valley Water provides an EAP to employees and their eligible dependents that is staffed by licensed credentialed counselors and provides information, referral and short-term counseling for personal issues affecting work or personal life.</p> <p>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.</p>
Deferred Compensation	Deferred compensation plan is available at employee's option, with up to \$8,000 in annual matching contributions each calendar year from Valley Water. Board Appointed Officers (BAO) are eligible for up to \$4,000 in annual matching contributions each calendar year from Valley Water.
Flexible Spending Account (FSA)	<ul style="list-style-type: none"> ➤ Health Care Spending Account – Maximum contribution up to \$2,750 for eligible medical, dental, vision and prescription expenses. ➤ Dependent Adult or Child Daycare – Maximum contribution \$5,000 per family or \$2,500 if you file taxes "Married Filing Separately" per calendar year.
<p><i>This is a summary of benefits only. Official plan documents/agreements govern how a benefit is determined or administered.</i></p>	

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