



Santa Clara Valley Water District

File No.: 22-0830

Agenda Date: 6/28/2022

Item No.: *10.2

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Resolution Approving Third Amended Compensation Plan for Unrepresented Employees in the Executive Service of the Santa Clara Valley Water District.

RECOMMENDATION:

Adopt Resolution APPROVING THIRD AMENDED COMPENSATION PLAN FOR UNREPRESENTED EMPLOYEES IN THE EXECUTIVE SERVICE (January 1, 2022, through December 31, 2025).

SUMMARY:

The Board has engaged in a strategic approach to attract, hire, and retain a high-performing and skilled workforce. In addition to classified employees represented by three bargaining groups, Valley Water currently employs unrepresented employees in the Unclassified Service of Valley Water pursuant to District Personnel Ordinance 2000-01, section 2.6 ("Executive Employees"). To address similar challenges with attracting and retaining unrepresented employees, the Board previously approved a Compensation Plan for Unrepresented Employees in the Executive Service (Compensation Plan). This Compensation Plan was last amended on November 23, 2021, at the same time Memoranda of Understanding with Valley Water's three bargaining units were approved.

One of the benefits, Health Insurance for Retirees, has a provision for service credit for prior public agency employment that was intended to mirror the service credit being afforded Valley Water's classified employees in their MOUs. Instead, it erroneously included language capping the prior service credit to ten years: "shall be credited up to ten (10) years (20,800 hours)." This proposed third amendment corrects that error and omits the capping language to be consistent with the prior service credit language in the three bargaining unit MOUs. This correction ensures that the retiree health prior service provisions will be the same for all Valley Water employees. The relevant language appears in Section II(A)(2) of the third amended Compensation Plan (Attachment 1).

ENVIRONMENTAL JUSTICE IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

*The financial impact of the provision for service credit for prior public agency employment is difficult to forecast. Nonetheless, the staff estimate at the time of MOU approval in November 2021 was a total financial impact for both classified and unclassified employees of \$3 million over the next 20 years for this benefit. Of the \$3 million estimate, the impact driven by unclassified employees would likely be a small fraction. The financial impact due to correction of the error specifically is unknown but would likely be negligible.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting indirect or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: Resolution

Attachment 2: Revised Unclassified Benefits Summary

*Original Agenda Memo

*Supplemental Agenda Memo

UNCLASSIFIED MANAGER:

Patrice McElroy, 408-630-3159