



# Staff Report

**TO:** Board of Directors

**FROM:** Jennifer Hanson, General Manager

**DATE:** October 27, 2021

**SUBJECT: Union Side Letter (Consent)**

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## ***ADMINISTRATION***

### **RECOMMENDATION:**

Authorize the General Manager to execute a Side Letter Agreement between the Nevada Irrigation District (District) and all Field, Office, and Supervisory Unit Employees represented by American Federation of State, County, and Municipal Employees (AFSCME) Local 146, AFL-CIO (the Union).

### **BACKGROUND:**

The District and the Union have three existing Memorandum of Understandings (MOUs) that expire December 31, 2023. Subsequent to ratification of the agreement, it came to staff's attention that revision is required to Article XIII.5.C to not adversely impact existing employees. As written, Article XIII.5.C reduces the amount of compensation paid to existing employees that request waiver of medical benefits.

When an employee receives medical benefits from another source and does not require medical benefits from the District, the employee can request a waiver of receipt of the benefit and receive compensation for doing so. This results in a cost savings to the District when an employee voluntarily elects to waive medical benefits because the compensation is less than the cost of providing the benefits to the employee.

The original language in the MOUs set the monthly compensation for wavier of benefits at fifty percent of the employee-only premium of the Anthem Blue Cross Select HMO-Region 1 plan. In the prior MOUs, the monthly compensation for wavier was fifty percent of the employee plus one dependent premium. This modification results in a decrease in compensation to existing employees of \$507.91.

To ensure the implementation of the MOUs do not result in a decrease in compensation to existing employees, it is recommended that the agreement be modified as follows:

Eligible employees hired prior to October 27, 2021, waiving District medical coverage will receive a monthly contribution via payroll equivalent to fifty percent (50%) of the employee plus one dependent premium of the Anthem Blue Cross Select HMO- Region 1 plan.

Eligible employees hired October 27, 2021, or later, waiving District medical coverage will receive a monthly contribution via payroll equivalent to fifty percent (50%) of the employee-only premium of the Anthem Blue Cross Select HMO- Region 1 plan.

The proposed modification still benefits the District, as the compensation for wavier related to existing employees is still half the employee plus one dependent premium. Most employees selecting wavier would require coverage for themselves and one or more dependents. Under the proposed modification, employees hired after October 27, 2021, would receive the reduced compensation as noted above.

**BUDGETARY IMPACT:**

The annual impact to the budget is based on the number of employees that request the waiver of medical benefits. The wavier compensation for employees hired prior to October 27, 2021, is \$1,115.81, and the wavier compensation for employees hired after October 27, 2021, is \$507.91.

Attachment: (1)

- Union Side Letter

**SIDE LETTER AGREEMENT BETWEEN  
NEVADA IRRIGATION DISTRICT AND  
ALL FIELD UNIT EMPLOYEES REPRESENTED BY AMERICAN FEDERATION of STATE, COUNTY, AND  
MUNICIPAL EMPLOYEES, LOCAL 146, AFL-CIO, ALL SUPERVISOR UNIT EMPLOYEES REPRESENTED BY  
AMERICAN FEDERATION of STATE, COUNTY, AND MUNICIPAL EMPLOYEES, LOCAL 146, AFL-CIO, AND  
ALL OFFICE UNIT EMPLOYEES REPRESENTED BY AMERICAN FEDERATION OF STATE, COUNTY, AND  
MUNICIPAL EMPLOYEES, LOCAL 146, AFL-CIO**

1. This Side Letter Agreement is between the Nevada Irrigation District (hereafter referred to as the District) and all Field Unit Employees represented by American Federation of State, County, and Municipal Employees, Local 146, AFL-CIO, all Supervisory Unit Employees represented by American Federation of State, County, and Municipal Employees, Local 146, AFL-CIO, and all Office Unit Employees represented by American Federation of State, County, and Municipal Employees, Local 146, AFL-CIO (hereafter referred to as the Union).
2. The District and the Union have three existing Memorandum of Understandings (MOUs) that expire December 31, 2023.
3. The intent of this Side Letter Agreement is to revise Article XIII.5.C. as follows:

Eligible employees hired prior to October 27, 2021, waiving District medical coverage will receive a monthly contribution via payroll equivalent to fifty percent (50%) of the employee plus one dependent premium of the Anthem Blue Cross Select HMO- Region 1 plan.

Eligible employees hired October 27, 2021 or later, waiving District medical coverage will receive a monthly contribution via payroll equivalent to fifty percent (50%) of the employee only premium of the Anthem Blue Cross Select HMO- Region 1 plan.

4. The terms and conditions set forth in this Side Letter Agreement have been mutually agreed upon by the designated bargaining representatives of the District and the Union, and will apply to all employees covered by the three MOUs between the District and the Union. All other terms and conditions remain unchanged.
5. This Side Letter is subject to ratification by the Union membership and the Nevada Irrigation District Board of Directors. Upon ratification and adoption, this Side Letter will amend the three MOUs between the District and the Union.

For the District

For the Union

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Jennifer Hanson  
General Manager

*Roland Becht 10/19/21*  
Roland Becht, Business Agent  
American Federation of State, County, and  
Municipal Employees, Council 57