



NEVADA IRRIGATION DISTRICT

BENEFIT AND COMPENSATION PLAN

MANAGEMENT

June 30, 2014

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BENEFIT AND COMPENSATION PLAN

PREAMBLE

1. The NEVADA IRRIGATION DISTRICT is a public agency formed and existing under the laws of the State of California (Water Code, Division 11).
2. This document, and the policies referenced herein, constitutes a description of the compensation, as well as other terms and conditions of employment, for manager positions listed below. This document does not create a binding agreement between the District and managers. It is simply a statement of policy subject to change or modification at any time and at the sole discretion of the Board of Directors.

General Manager (except as modified by Contract)
Assistant General Manager
Board Secretary
Finance Manager/Treasurer
Engineering Manager
Operations Manager
Maintenance Manager
Hydroelectric Manager
Recreation Manager
Human Resources Manager

ARTICLE 1

EMPLOYEE STATUS

1. Unless otherwise specified, the term “manager” shall mean Regular Manager or Probationary Manager, as defined herein.
2. A “Regular Manager” is an employee who has completed his/her probationary period and fills an established management classification.
3. A “Probationary Manager” is defined as a newly hired or promoted employee in a management classification.

Upon completion of six (6) months of continuous service with the District, a probationary manager will be given the status of a regular employee. During this probationary period, the manager may be terminated without cause, and his/her termination will not be subject to grievance or appeal. During the probationary period, new hires will be eligible for most District benefits, including observed holidays and vacation, in accordance with District policies.

4. Managers have positional duties and responsibilities and a level of decision making authority that is exempt from the overtime provisions of the Fair Labor Standards Act (FLSA).
5. Managers are subject to the District policies except as modified herein.

ARTICLE 2

SALARY AND OTHER COMPENSATION

1. Classifications and Wage Rates: Job classifications and Wage Rates are established and/or amended by the District and adopted by the Board of Directors. A list of all classifications and applicable wage rates is maintained on the District's web site (Wage Schedule).
2. Establishment and Revision of Classification: The District will from time to time establish new and/or revise existing classifications and/or wage rates due to changes in operations or requirements as determined by the District.
3. Exempt Status/Administrative Leave: Managers are exempt employees. In lieu of overtime and compensatory time off, managers will earn 64 hours of Administrative Leave per year, by accrual of 2.4615 per pay period, and may accumulate up to a maximum of 16 days.

Managers will be allowed to sell back up to 40 hours of unused Administrative Leave, concurrent with the last pay period in December of each year.

4. Work Out of Classification: In the event a manager is working out of class, the manager will receive an increase to his/her salary at the discretion of the General Manager.
5. Performance Review: Managers will be reviewed annually. After managers reach the top step of the salary range, reviews will be made bi-annually. Performance reviews can be conducted more frequently at the discretion of the General Manager.
6. Market Adjustment/Cost of Living Adjustment:
 - a) Effective the first full pay period following approval of this Benefit and Compensation Plan, a 2% Market Adjustment will be applied to all manager salaries.
 - b) Effective the first full pay period in January 2015, a 5% Market Adjustment will be applied to all manager salaries.
 - c) Effective the first full pay period in January 2016, a Cost of Living Adjustment will be applied to all employee salaries, based on the August to August Consumer Price Index for the San Francisco-Oakland-San Jose category, as published by the California Department of Industrial Relations (COLA). Such COLA will not be less than 1.5% and not more than a 3% increase.
 - d) Effective the first pay period in January 2017, a COLA will be applied to all employee salaries, based on the August Consumer Price Index for the San Francisco-Oakland-San Jose category, as published by the California Department of Industrial Relations. Such COLA will not be less than 1.5% and not more than a 3% increase.

The District's Wage Schedule will be revised accordingly for each wage adjustment.

ARTICLE 3

BENEFITS

1. Group Insurance Plan: The carriers, coverage, and terms and conditions of participation under the District's Group Insurance Plan are subject to change in accordance with the applicable provisions of Title I, Division 4, Chapter 10 of the California Government Code (Section 3500 et seq.) (Meyers-Milias-Brown Act).
 - a) The District contracts with CalPERS for health plan coverage for all regular and newly hired employees (eligibility to be defined by the "CalPERS health plan"). Booklets on the insurance plans will be available to all participants.
 - b) Employees may choose any plan offered by CalPERS. Additional premiums will be borne by the employee through payroll deductions and paid to CalPERS by the District each month; and the additional cost for monthly premiums will be deducted evenly from the first and second payroll period of each month. To the extent allowed by law, the District will attempt to deduct the employee's premium contribution from pre-tax dollars.
2. Direct Health Care Premium Contributions for Active Employees:

The District will pay the minimum premium contribution directly to CalPERS, as required by CalPERS regulations for each eligible employee.
3. Health Reimbursement Arrangement for Active Employees:

On January 1, 2009, a Health Reimbursement Arrangement (HRA) was established by the District and includes, but is not limited to, the terms and conditions set forth below:

 - a) Calendar year-end rollovers of individual account balances are allowed; and,
 - b) Individual account "caps" for "employee plus dependent coverage" and "employee only coverage" shall be as follows:

No contribution to an individual account shall be due when the balance in the individual employee account reaches the "cap" of \$8,720.00 for "employee plus dependent coverage" and, \$4,720.00 for "employee only." Once expenditures reduce the account balance below the cap, contributions will resume. Amounts not paid during the period of suspension shall be retained by the District and shall not accrue to the employee.
 - c) Eligible participants are regular employees enrolled in a District offered health care plan, eligible dependents, and others as defined by the Nevada Irrigation District Health Reimbursement Arrangement; and,
 - d) Eligible medical care expenses are defined by Internal Revenue Code Section 213(d); and,

- e) Eligible medical care expenses that are common to both an HRA and a Flexible Spending Account (FSA) will be required to be reimbursed from the FSA before expenses are reimbursed from an individual's HRA account; and,
- f) Upon the death of an employee:
 - (i) HRA contributions to the individual's account will cease, and
 - (ii) Any balance in an HRA account at the time of the death of the employee must be used by the employee's eligible dependents within sixty (60) months from the date of the last HRA contribution or it is forfeited.
- g) Regular Employees: The District makes monthly contributions to eligible employee HRA accounts as follows:

The amount equal to:

 - (i) The monthly contribution in the previous year for the purchase of the "employee only" Bay Area PERS Choice PPO premium; plus,
 - (ii) 75% of the increase between the previous year monthly premium to the current year monthly premium (at the "employee only" Bay Area PERS Choice PPO rate); plus,
 - (iii) \$850.00 to offset dependent premiums, out-of-pocket expenses, deductibles, etc.
- h) Newly Hired Regular Employees: The District will fund individual newly-hired regular employees' HRA accounts as follows:
 - (i) Individual accounts will be set up for each "newly-hired regular employee" upon their successful completion of probation.
 - (ii) Newly hired regular employees will be eligible for an additional one-time lump sum contribution on the first day of the month following the successful completion of their probationary period. Such contribution will be calculated based upon the number of months the employee was eligible to participate in the District's health insurance program during their probationary period as follows:
 - (aa) Upon the establishment of each individual account, a one-time District contribution of \$1,000.00 will be made; plus,
 - (bb) the number of eligible months times the amount identified in paragraph 3(g)(i) and 3(g)(ii), for those eligible months preceding the completion of the probationary period; plus,
 - (cc) the number of eligible months times \$850.00 to offset dependent premiums, out-of-pocket expenses, deductibles, etc.; less,
 - (dd) any premiums paid directly by the District to CalPERS on behalf of the employee for dependent care coverage during the employee's probationary period.

- (ee) In no event will the newly hired regular employee's total initial contribution exceed \$4,720.00 for any employee who has "employee only" coverage.

BENEFITS FOR RETIREES FROM NEVADA IRRIGATION DISTRICT

4. Retirement Health and Pension Benefits for Employees Hired before May 10, 2012:

This section applies to employees hired prior to May 10, 2012 and who are eligible for District paid group insurance plan coverage. Receipt of retiree benefits is available only to employees who are working for the Nevada Irrigation District at the time of retirement and begin receiving (PERS) pension benefits within 120 days of separation from the District. Retirees may choose any plan offered to employees, and any additional cost for premium shall be borne by the retiree.

a) Retiree Medical and Health Reimbursement Account: The District will contribute to medical coverage for the employee only, under the plans and coverage available.

(i) Direct Contribution: The District will pay, directly to CalPERS, the minimum monthly premium contribution required by CalPERS for the retiree only; and,

(ii) Retiree HRA Plan: The District will make monthly contributions to the retiree's individual HRA account according to the vesting schedule in paragraph 4(b). Retired employees will retain the ability to draw on their HRA account and claim reimbursement for qualifying medical expenses for themselves and their eligible dependents.

b) HRA Vesting Schedule:

Employees with ten (10) years of continuous service with the District and who are at least 55 years of age will receive a District contribution in the amount of the cost of the "employee only" medical premium at the PERS Choice Bay Area rate, in place at the time the employee retires, minus the minimum contribution paid directly to CalPERS, as a monthly contribution to the retiree's HRA.

c) Retirement Pension Benefits for Employees Hired before May 10, 2012:

(i) The District is a participant in the California Public Employees' Retirement Plan, currently CalPERS 2.5% @ 55 retirement plan, one-year Final Compensation (1 yr FAC).

(ii) Employees will pay 100% of the employee contribution, which is 8% of base salary.

5. Retirement Health and Pension Benefits for Employees Hired on or after May 10, 2012 and "Classic" CalPERS Members Hired on or After January 1, 2013:

This section applies to employees who are eligible for District paid group insurance plan coverage, hired on or after May 10, 2012 through December 31, 2012, and eligible employees hired on or after January 1, 2013 that are considered "Classic" Members as defined by CalPERS. Receipt of retiree benefits is available only to employees who are working for the Nevada Irrigation District at the time of retirement and begin receiving (PERS) pension benefits within 120 days of separation from the District. Retirees may choose any plan offered to employees, and any additional cost for premium shall be borne by the retiree.

- a) The District is a participant in the California Public Employees' Retirement Plan. Effective May 10, 2012, the retirement benefit for all newly hired employees will be the CalPERS 2.0% @ 55 retirement plan, three-year Final Compensation (3 yr FAC).
- b) Employees will pay 100% of the employee contribution, which is 7% of base salary.
- c) Employees shall receive retiree health benefits as follows:
 - (i) The District will pay the eligible retiree's minimum contribution for the retiree's medical premium directly to CalPERS in accordance with PERS regulations; and
 - (ii) The District will make monthly contributions to the eligible retiree's HRA in accordance with the Vesting Schedule in paragraph 5(d).
- d) HRA Vesting Schedule:
 - (i) Employees with ten (10) years of continuous service with the District and who are at least 55 years of age will receive a District contribution in the amount of 25% of the cost of the employee only medical premium at the PERS Choice Bay Area rate, in place at the time the employee retires, minus the minimum contribution paid directly to CalPERS, as a monthly contribution to the retiree's HRA.
 - (ii) Eligible employees shall earn an additional 2.5% for each subsequent year of service with the District.
 - (iii) The maximum District contribution will be achieved in the 20th year of continuous service and equal 50% of the premium in place at the time the employee retires, minus the minimum contribution paid directly to CalPERS.

6. Retirement Health and Pension Benefits for Employees Hired on or after January 1, 2013:

This section applies to employees hired on or after January 1, 2013 and who are eligible for District paid group insurance plan coverage. Receipt of retiree benefits is available only to employees who are working for the Nevada Irrigation District at the time of retirement and begin receiving (PERS) pension benefits within 120

days of separation from the District. Retirees may choose any plan offered to employees, and any additional cost for premium shall be borne by the retiree.

- a) The District is a participant in the California Public Employees' Retirement Plan. Effective January 1, 2013, the retirement benefit for all newly hired employees will be the CalPERS 2.0% @ 62 retirement plan, three-year Final Compensation (3 yr FAC).
 - b) Employees will pay 100% of the employee contribution, which is 6.75% of base salary.
 - c) Employees shall receive retiree health benefits as follows:
 - (i) The District will pay the eligible retiree's minimum contribution for the retiree's medical premium directly to CalPERS in accordance with PERS regulations; and
 - (ii) The District will make monthly contributions to the eligible retiree's HRA in accordance with the Vesting Schedule in paragraph 6(d).
 - d) HRA Vesting Schedule:
 - (i) Employees with ten (10) years of continuous service with the District and who are at least 55 years of age will receive a District contribution in the amount of 25% of the cost of the employee only medical premium at the PERS Choice Bay Area rate, in place at the time the employee retires, minus the minimum contribution paid directly to CalPERS, as a monthly contribution to the retiree's HRA.
 - (ii) Eligible employees shall earn an additional 2.5% for each subsequent year of service with the District.
 - (iii) The maximum District contribution will be achieved in the 20th year of continuous service and equal 50% of the premium in place at the time the employee retires, minus the minimum contribution paid directly to CalPERS.
7. Individuals who retire from the District and convert their coverage from "employee plus dependent" to "employee only" will retain their account balance, even if the balance exceeds the cap from "employee only."
 8. In all cases, retirees who are eligible for Medicare will only be permitted to participate in District sponsored health insurance plans as retirees only if their participation in District plans is secondary to Medicare coverage.
 9. At least ninety (90) days prior to the planned retirement date, notification of the intent of the employee should be given in writing to the District.
 10. Any balance in an HRA account at the time of death of the retiree must be used by the retiree's eligible dependents within sixty (60) months from the date of the last HRA contribution, or it is forfeited.

11. The District's contract with CalPERS includes Section 21023.5 Public Service Credit for Peace Corps or AmeriCorps: VISTA Service; and Section 21024 Military Service Credit as Public Service. The cost of these service credits will be borne by the employee.

OTHER BENEFITS

12. Life Insurance for Active and Retired Employees: The District's group life insurance plan includes coverage at two times the employee's current annual base salary for all active employees at no cost to the employee. Retirees up to age 65 will receive coverage at \$50,000 at no cost to the retiree. The District will pay the cost of life insurance coverage for the employee only, under the plans available to all District employees, which may change from time-to-time thereafter.
13. Medicare Benefits: The District participates in Medicare-only coverage under the Federal Social Security Act, and the employee will be responsible for paying the employee's share of the Medicare contribution.
14. 457 Deferred Compensation Plan: The District contracts with various plan administrators to provide a 457 Deferred Compensation Plan, which is employee paid.
15. Dental Plan: The District subscribes to the Association of California Water Agencies' (ACWA) dental plan and pays for coverage for the employee and all dependents for Delta Dental PPO Plan No. 1002.
16. Vision Plan: The District subscribes to the ACWA Vision Service Plan and pays for coverage for employee and all dependents.
17. IRS 125 Flexible Spending Plan: The District provides an IRS 125 Flexible Spending Plan for employees in order to pay for other insurance, childcare, etc. The District offers training related to the flexible spending plan. An employee can contribute up to the maximum amount allowed by law.
18. Employee Assistance Program: The District provides an independently administered Employee Assistance Program.
19. Vacation: Vacation is provided pursuant to District policy. However, the maximum accrued hours for managers will be 420 hours regardless of number of years of service.
20. Sick Leave: Sick Leave is provided pursuant to District policy.
21. Holidays: Holidays and holiday pay are provided pursuant to District policy.
22. Leaves of Absence and Other Leaves: Leaves of Absence and Other Leaves are provided pursuant to District policy.