

CARMICHAEL WATER DISTRICT
RESOLUTION 05182020-1
A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CARMICHAEL WATER DISTRICT
REGARDING EMPLOYEE BENEFITS POLICY

WHEREAS, the Carmichael Water District was formed and is operating as an irrigation district under the California Irrigation District Law, Water Code sections 20500 through 29978;

WHEREAS, under Water Code section 21385, the Board of Directors has the plenary and general power and duty to manage and conduct the business and affairs of the District;

WHEREAS, under Water Code sections 21165, 21185, 21186, and 21189, the Board may employ officers, deputies, and employees as it determines necessary to operate the District, and to prescribe their duties, fix their salaries, and authorize benefits programs for their benefit;

WHEREAS, the Board has promulgated and maintains the Carmichael Water District Policy Manual (“Policy Manual”), which among other provisions: (1) prohibits misuse of District property for the personal benefit of any employee (Policy 1020); (2) establishes all District employment as at-will, except as may otherwise be limited by the Agreement Between Carmichael Water District and AFSCME, Local 146, AFL/CIO, dated July 1, 2018 – June 30, 2022 (“2018-2020 MOU”) and the Board’s contract with the General Manager (Policies 1010.20, 2000.20 and 2020.60); (3) establishes a conflict of interest code, including relevant provisions of the Political Reform Act and FPPC regulations (Policy 3000); (4) prohibits violations of policy, and fraudulent, illegal, or dishonest conduct (Policies 3030 and 6070); (5) establishes a 457 deferred compensation plan to which employees may contribute a portion of their wages on a pre-tax basis (Policy 4070.40); and (6) does not provide management, administrative or compensatory time off to any employee, except to the General Manager by contract (Policies 1010.20 and 5000);

WHEREAS, Government Code section 53260 and following prohibit the payment of severance of any amount to employees of the District who are not employed under a contract executed between the District and the employee, and approved by the Board;

WHEREAS, the Board has obtained and reviewed copies of the following documents: (1) Management Benefits Package; Senior Management, Effective July 2011; (2) Exempt Employee Benefits Package; Exempt Employees, Effective July 2011; (3) Supervisor’s Benefits Package; Supervisor, Effective July 2018; and (4) Confidential EE’s Benefits Package, Effective August 21, 2018 (collectively, the “Exempt Employee Benefits Packages”), which purport to grant certain benefits to specified exempt management and confidential employees;

WHEREAS, the Board has never previously been apprised of, reviewed, or approved any of the Exempt Employee Benefits Packages, or any of the benefits provided therein except as such benefits are consistent with the Policy Manual; and

WHEREAS, it is the policy of the Board to provide a reasonably competitive benefits package to all District employees, but such benefits must be authorized by law and specifically presented to and considered and approved by the Board, and, after approval, described in sufficient detail in the Policy Manual.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Carmichael Water District as follows:

1. The Board finds and determines that the Exempt Employee Benefits Packages are unauthorized by law and in violation of District policy because they were adopted without notice to or approval of the Board, and therefore are void and of no effect; but, for the avoidance of any doubt, the Board further determines that the Exempt Employee Benefits Packages, and each and every provision and benefit purportedly granted to the specified employees therein, are hereby terminated, void, and of no effect as of June 1, 2020.

2. The Board further finds and determines that the Fiscal Year 2020-2021 budget and all future budgets shall not include any funding for any benefits purportedly provided in the unauthorized and void Exempt Employee Benefits Packages and, to the extent any such benefits are proposed to be authorized in the Fiscal Year 2020-2021 budget, that funding is hereby specifically disapproved and shall be deleted from this budget.

3. In addition, the Board specifically finds and determines that any and all deferred compensation benefits purportedly provided to the specified employees under the Exempt Employee Benefits Packages are unauthorized and void, and shall not be paid to or for the benefit of any such employee beginning with and after the May 4-15 payroll period.

4. Except for the deferred compensation employer matching program provided in the 2018-2022 MOU, which is a contractual obligation of the District and which shall continue without change or impairment, the Board hereby suspends all employer matching contributions to all other employees participating in the District's deferred compensation program, pending further review and approval by the Board.

5. The Board hereby directs the Ad Hoc Compensation Policy Committee (Directors Selsky and Nelson) to review the District's non-health benefits programs, including the deferred compensation program, and similar programs provided by other water districts in the region, and to bring back recommended changes to these benefits programs and proposed Policy Manual amendments for Board review and consideration by the June 15, 2020 regular board meeting, including any recommendations regarding the disposition of the benefits previously received by employees under the Exempt Employee Benefits Packages.

6. The Board of Directors declares as District policy that no employee benefits may be granted to any employee except as expressly approved by the Board of Directors by resolution and subsequent amendment of the Policy Manual, which approval shall not be granted unless the General Manager first introduces the proposed new benefit, or change in or enhancement of an existing benefit, in a staff report that expressly details the proposed benefit program’s purpose and need, terms and operation, and annual and long-term costs to the District.

7. Nothing in this Resolution is intended to or shall affect any term or provision of the 2018-2022 MOU, and, except as provided in this resolution, all employee benefits specifically provided in the Policy Manual shall remain in effect.

PASSED AND ADOPTED by the Board of Directors of the Carmichael Water District at a regular meeting held on May 18, 2020 by the following vote:

| | | | | | | | | |
|----------------------------|--------------------------|--------------------------|--------------|--------------------------|----------------|--------------------------|-----------------|--------------------------|
| Mark Emmerson | Aye | <input type="checkbox"/> | Nay | <input type="checkbox"/> | Absent | <input type="checkbox"/> | Abstain | <input type="checkbox"/> |
| Paul Selsky | Aye | <input type="checkbox"/> | Nay | <input type="checkbox"/> | Absent | <input type="checkbox"/> | Abstain | <input type="checkbox"/> |
| Ron Greenwood | Aye | <input type="checkbox"/> | Nay | <input type="checkbox"/> | Absent | <input type="checkbox"/> | Abstain | <input type="checkbox"/> |
| Roy Leidy | Aye | <input type="checkbox"/> | Nay | <input type="checkbox"/> | Absent | <input type="checkbox"/> | Abstain | <input type="checkbox"/> |
| Jeff Nelson | Aye | <input type="checkbox"/> | Nay | <input type="checkbox"/> | Absent | <input type="checkbox"/> | Abstain | <input type="checkbox"/> |
| Board Totals: | Ayes: | <input type="checkbox"/> | Nays: | <input type="checkbox"/> | Absent: | <input type="checkbox"/> | Abstain: | <input type="checkbox"/> |
| Passed Unanimously: | <input type="checkbox"/> | | | | | | | |
| Motion Carried: | <input type="checkbox"/> | | | | | | | |
| Motion Not Carried: | <input type="checkbox"/> | | | | | | | |

 Paul Selsky, President
 Board of Directors

ATTEST: _____
 Cathy Lee, Secretary