SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. III-D**

FROM: Steve Mack, General Manager

Meeting Date: December 1, 2011

SUBJECT: RESOLUTION 11-29, APPROVING RESTATED 457 PLAN WITH VALIC

RECOMMENDED ACTION: Adopt Resolution 11-29 which approves the restated Plan document.

FISCAL IMPACT: None. The District's 457 Plans are funded 100% through employee-elected contributions.

DISCUSSION:

The District offers employees the opportunity to supplement their retirement by contributing tax-deferred dollars to a 457(b) plan. We have 457 Plan Agreements with VALIC and PERS. Both Plans are funded 100% through employee-elected contributions, made via payroll deduction.

Resolution 11-29 updates the VALIC Plan Agreement to bring it into compliance with recent federal tax legislation.* Attached is correspondence from VALIC discussing the changes required under the new laws. Most of these changes do not apply to our employees. However, there is one significant change: the new Plan offers an option for employees to designate some or all their contributions to the Plan to be treated as after-tax Roth contributions.

The new Plan, like the old Plan, has several provisions with various alternatives for employers to select. (See, pp. 2-5 of the Plan.) The new Roth option is one such provision. As in previous years, staff has selected options for the Plan that offer employees the most flexibility in using their Plan dollars.

** We haven't received a similar request from PERS to update our Plan agreement with them.*

Resolution No. 11-29

A RESOLUTION OF THE SWEETWATER SPRINGS WATER DISTRICT BOARD OF DIRECTORS AUTHORIZING ADOPTION OF PLAN RESTATEMENT (VALIC 457 PLAN)

WHEREAS, Sweetwater Springs Water District, (hereinafter, the "Employer") established the Sweetwater Springs Water District Deferred Compensation Plan (hereinafter, the "Plan"), effective May 7, 1997 and amended from time to time thereafter, for the exclusive benefit of its employees and their beneficiaries.

NOW, THEREFORE, BE IT RESOLVED that the Employer hereby amends and restates the Plan in the form of the Plan attached hereto; and,

RESOLVED, FURTHER, that the appropriate officers of the Employer, or their delegates, are hereby authorized to execute the amendment and restatement of the Plan effective January 1, 2012.

I hereby certify that the above and foregoing was adopted by the Board of Directors of the SWEETWATER SPRINGS WATER DISTRICT, Sonoma County, California, at a meeting held on December 1, 2011, by the following vote:

Director	Aye	No
Sukey Robb-Wilder	_____	_____
Jim Quigley	_____	_____
Gaylord Schaap	_____	_____
Richard Holmer	_____	_____
Victoria Wikle	_____	_____

_____
Jim Quigley
President of the Board of Directors

_____
Attest: Julie A. Kenny
Clerk of the Board of Directors