

**WEST BASIN MUNICIPAL WATER DISTRICT  
PUBLIC AGENCY RETIREMENT SYSTEM (PARS)  
RETIREMENT PLAN**

**AMENDED AND RESTATED**

**EFFECTIVE JULY 1, 2008**

**DEFINED BENEFIT**

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## INTRODUCTION

The West Basin Municipal Water District ("Employer") has adopted this tax-qualified governmental defined benefit plan for the benefit of its elected or appointed directors ("Eligible Employee" or "Members") to provide Retirement Benefits. This document is a full and complete amendment and restatement of the West Basin Municipal Water District PARS Retirement Plan adopted effective July 1, 2002.

It is intended that this Plan and the Trust established to hold the assets of the Plan shall be qualified under Section 401(a) and tax-exempt under Section 501(a) of the Internal Revenue Code of 1986, together with any amendments thereto ("Code"). It is further intended that this Plan and the Trust established hereunder shall meet the requirements of a pension trust under California Government Code ("Act") Sections 53215 - 53224, or their successor sections (the "Act"). At any time prior to the satisfaction of all liabilities with respect to Members and their Beneficiaries under the Trust created pursuant to this Plan, the Trust assets shall not be used for, or diverted to, purposes other than the exclusive benefit of Members or their Beneficiaries, as prescribed in Section 401(a)(2) of the Code.

It is intended that the Plan satisfy the requirement of the applicable provisions of the Economic Growth and Tax Relief Reconciliation Act (commonly known as "EGTRRA") and the Pension Protection Act of 2006 (commonly known as the "PPA"), and that the provisions of this Plan reflecting the EGTRRA and PPA amendments are hereby made effective as of the dates required by the legislation referred to in this sentence.

**ARTICLE I**  
**PARTICIPATION**

**1.1 Eligibility for Benefits**

A duly elected or appointed director ("Employee") to the board of directors of the Employer is automatically enrolled in this Plan upon his effective date of public office. An Employee shall be eligible to receive Retirement Benefits under this Plan if he meets the requirements of one or both of the following tiers:

**Tier I**

- (a) is in the position of elected or appointed director of the Employer (excluding the Metropolitan Water District of California appointed directors);
- (b) is at least fifty (50) years of age;
- (c) has completed at least five (5) continuous PARS Years of Service on or after July 1, 2002;
- (d) has not filed an election of membership with CalPERS prior to January 1, 2003;
- (e) has terminated employment with the Employer on or after July 1, 2002; and
- (f) has applied for benefits under this Plan.

**Tier II**

- (a) is in the position of elected or appointed director of the Employer (excluding the Metropolitan Water District of California appointed directors);
- (b) assumed office on or after January 1, 1995;
- (c) is at least fifty-five (55) years of age;
- (d) has completed at least twelve (12) years of continuous employment with the Employer on or after July 1, 2002;

- (e) is not eligible for any post-retirement fringe benefits through the Employer other than pension;
- (f) has terminated employment with the Employer on or after July 1, 2002; and
- (g) has applied for benefits under this Plan.

**1.2 Commencement of Benefits**

Benefits shall commence as of the first day of the month after an Employee meets the eligibility requirements of Section 1.1 or 3.3.

**1.3 Participation**

A Member will be credited with one Year of Participation for any year during which the Member is an Employee of the Employer and each additional full month of employment shall be treated as one-twelfth (1/12) of a year.

**1.4 Approved Leave of Absence**

An Employee who is on an approved leave of absence pursuant to the Employer's personnel rules shall not incur a break in service for purposes of this Plan.

**ARTICLE II**  
**CONTRIBUTIONS**

**2.1 Amount of Employee Contribution**

Employees may make contributions to the Plan to purchase service credit for military service or prior service pursuant to the requirements of Section 2.3. Employee contributions for any other purpose shall not be permitted. Such contributions may be made by direct contributions from Employees, rollovers from eligible retirement plans (as defined in Section 5.6) or direct transfers from eligible retirement plans, in each case subject to the procedures and requirements established by the Employer.

**2.2 Amount of Employer Contribution**

The Employer shall contribute a percentage of each Eligible Employee's salary to the Trust each year. The Employer Contribution amount shall be determined by an actuarial study performed at least every two (2) years as long as this Plan exists.

**2.3 Purchase of Service Credit**

An Employee who meets the requirements of Section 1.1, Tier I (a) and (d), is eligible to purchase military service credit (not to exceed four (4) years) to be counted toward years of service under the Plan if he (1) has served in active military for a period of less than or equal to twenty (20) years, (2) is not receiving military retirement pay and (3) has not received military service credit in any other retirement system. The purchase of military service credit shall be calculated pursuant to the benefit described in Section 3.1, Tier I, and shall be funded for in one lump sum payment made by the Employee at the time of purchase.

An Employee who meets the requirements of Section 1.1, Tier I (a) and (d), is eligible to purchase prior service credit to be counted toward years of service under the Plan if he (1) has

earned prior service in another California public retirement system other than STRS prior to becoming a Member of this Plan, (2) is not receiving a retirement benefit based on the prior service and (3) has not received credit for the prior service in any other retirement system. The purchase of prior service credit shall be calculated pursuant to the benefit described in Section 3.1, Tier I, and shall be funded for in one lump sum payment made by the Employee at the time of purchase. The cost to purchase service credit shall be determined by an Enrolled Actuary selected by the Employer.

The amount of purchased military service credit and prior service credit combined shall not exceed the Member's years of service served with the Employer at the time of purchase. If an Employee has purchased military service credit and/or prior service credit and does not meet the requirements of Section 1.1, Tier I, upon his date of termination with the Employer, the Employee shall receive a refund equal to his lump sum contribution plus an annual rate of return equal to five percent (5%). If the Employee dies prior to meeting the requirements of Section 1.1, Tier I, his Beneficiary shall receive a refund equal to the Employee's lump sum contribution plus an annual rate of return equal to five percent (5%).

#### **2.4 Contributions Held in Trust**

All contributions by the Employer or by the Employee under this Plan shall be paid to the Trust.

#### **2.5 Exclusive Benefit**

Except as otherwise provided in the Plan, all assets of the Plan including investment income shall be retained for the exclusive benefit of Members and their Beneficiaries, shall be used to pay benefits and administrative expenses of the Plan to the extent not paid by the Employer and shall not revert or inure to the benefit of the Employer except in the event of

discontinuance of the Plan after all liabilities and expenses of the Plan have been paid pursuant to Section 6.4.

**2.6 Forfeitures**

Forfeitures of contributions on behalf of an Employee because of termination of employment before a Member becomes eligible for Retirement Benefits or for any other reason shall be applied to reduce the cost of the Plan, not to increase benefits otherwise payable to Members.

**2.7 Qualification of the Plan**

All contributions by the Employer to the Plan including investment income are expressly conditioned upon the initial qualification of the Plan under the Code. Contributions shall be returned to the Employer upon denial of qualification.

**2.8 Assets of the Trust Fund**

No Employee shall have the right to or interest in any assets of the Trust Fund upon termination of employment except as provided in the Plan. Payment of benefits provided for in this Plan shall be made solely out of the assets of the Trust Fund and neither the Employer nor the Plan Administrator shall be liable in any manner.