

MEMORANDUM OF UNDERSTANDING

June 29, 2017 – June 23, 2021

SOUTH TAHOE PUBLIC UTILITY DISTRICT

AND

INTERNATIONAL UNION OF OPERATING ENGINEERS

STATIONARY LOCAL 39

AFL-CIO

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MEMORANDUM OF UNDERSTANDING

This MEMORANDUM OF UNDERSTANDING is made and entered into by and between the SOUTH TAHOE PUBLIC UTILITY DISTRICT, hereinafter referred to as the "District", and the INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY LOCAL 39, AFL-CIO, hereinafter referred to as the "Union", and has as its purpose the promotion of harmonious labor relations between the District and the Union; establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rate of pay, hours of work, and other conditions of employment.

SECTION 1. RECOGNITION

- A. The District recognizes the Union as the exclusive negotiating agent for all employees, except management and confidential employees. The term "employee" or "employees" as used herein shall refer only to employees employed by the District in the classifications listed in Exhibit A - "Salaries and Classifications".
- B. Nothing in this article shall preclude employees from exercising their individual rights under State law.

SECTION 2. ADMINISTRATION

- A. The General Manager shall be responsible for the administration of this Memorandum of Understanding, except as specifically provided herein, and shall specify such administrative procedures, forms, records, reports, and audits he/she deems necessary for proper administration of the Memorandum. The General Manager may assign to other District employees such duties in connection with this Memorandum as he/she deems proper and expedient.
- B. Except as specifically provided herein, the General Manager shall be responsible for the proper application of the provisions of this Memorandum, and he/she or such person as he/she may designate shall rule on the application of the provisions of this Memorandum which are within the scope of his/her authority.
- C. It shall be the duty of the General Manager to keep, or cause to be kept, accurate records of the application of this Memorandum.

SECTION 3. UNION REPRESENTATION

- A. Union Security
 - 1. Each Employee covered by this Memorandum shall either acquire or maintain membership in the Union or shall be required as a condition of employment, beginning on the 31st day following the beginning of such employment or the effective date of this Memorandum of Understand, to pay the Union a service fee in an amount not to exceed the costs of administration of this Memorandum and the representation of the employee for the duration of this agreement.

2. Notwithstanding the foregoing, in accordance with Government Code section 3502.5(a), any Employee who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support the Union as a condition of employment. Such Employee shall, in lieu of the service fee, pay sums equal to the service fee to a nonreligious, non-labor charitable fund exempt from taxation under Section 501(a)(3) of the Internal Revenue Code chosen by the Employee. Proof of such payments shall be made on a monthly basis to the District as a condition of continued exemption from the service fee or membership requirement.
3. The Union shall keep records as required by Government Code section 3502.5(d) and shall make available annually to the District and to its members, within 60 days of the end of its fiscal year, those reports required by Government Code section 3502.5(d).
4. The Union agrees to accept new Employees into membership at an initiation fee not in excess of that established by its bylaws.
5. The District agrees to advise new Employees of the existence of this Memorandum of Understanding.
6. Objections to Agency Fee
 - A. An Employee who is subject to the payment of an agency fee hereunder shall have the right to object to any part of that fee payable by him or her which is claimed to represent activities which are not germane to collective bargaining activity and/or that he/she claims to represent expenditures by Union that are in aid of activities or causes of a partisan political or ideological nature and/or that are applied toward the cost of benefits available only to members of the Union and/or that are utilized for expenditures that are not necessarily or reasonably incurred for the purpose of performing the duties incident to meeting and conferring or administering this Memorandum of Understanding.
 - B. The Union shall provide non-Union members of the bargaining unit with a statement reflecting the expenditures of the Union, specifically setting forth activities which are germane to the representation of the bargaining unit and upon which the agency fee is based, and the amounts expended on these activities and the other financial information discussed below, and the right of the non-Union member to object to the amount of that fee, including a copy of the administrative appeals procedure described below. The Union must have given sufficient explanation of the basis for the agency fee to objecting Employees to allow them to gauge the propriety of the agency fee. This information must be updated by the Union and provided to Employees of the District and the District at least annually. Financial information must itemize and adequately describe all categories of expenses. The information must be verified as accurate by a qualified, independent auditor. The financial information must include the Union's local expenditures as well as a verified apportionment of each of the chargeable and non-chargeable activities of such county, state, national or international organization(s) with which the Union is directly or indirectly affiliated and to which the Union transmits a portion of its dues and/or agency fee funds.

Information contained in the aforementioned package shall be consistent with the provisions of this section and shall be developed, paid for, and distributed to the District and non-Union members of the bargaining unit by Stationary Engineers Local 39.

- C. Union shall make available, at its expense, an expeditious and impartial administrative appeals procedure to Employees who object to the payment of any portion of the agency fee. Employees may avail themselves of this procedure within thirty (30) days of the Union providing any statement of information about expenditures as set forth in paragraph B above. Such a procedure shall provide for a prompt decision to be made by an impartial decision maker jointly selected by Union and the objecting Employee(s). A copy of such procedure shall be provided by the Union to the District and to any Employee who is alleged to have the obligation to pay agency fees hereunder.
- D. During the pendency of the resolution of any objection by an Employee to the payment of any portion of the agency fee, the objecting Employee shall be obligated to any agency fees pursuant to the terms of the Memorandum of Understanding; however the Union must establish an escrow account into which the amounts reasonably in dispute shall be deposited during the pendency of the challenge(s) of objecting Employee(s).

E. Requirement while on Leave of Absence

No Employees covered by this provision shall be required to pay any dues, fees or charitable contributions during any unpaid leave of absence of thirty (30) days duration or longer, if said Employees are on said leave due to exhaustion of all paid leave benefits for which the Employee is eligible from the Agency.

F. Indemnification

The Union agrees to indemnify, defend and hold the District harmless against any claims made of any nature and against any suit instituted against the District arising from its check-off for the dues and/or contribution to a charity, insurance, or benefit programs of the Union, and shall pay any judgments against the District as a result of any such claims or suits.

G. Regular Part-Time Employees

1. Regular part-time employees who are employed for a period of not less than eighty (80) hours monthly shall become covered under this Agreement. The District shall not hire or utilize regular part-time or temporary employees to fill a full-time position for the sole purpose of saving money on wages and/or benefits.
2. The intent of this language is to provide security for regular full-time Employees by not allowing the District to fill full-time positions with any combination of part-time and/or temporary employees, except as allowed by other parts of this Agreement.

3. The District agrees to consider regular full-time Employees for the assignment of duties before assigning regular part-time or temporary employees such duties, as long as the efficiency of the District is not adversely impacted.

B. Shop Stewards' Rights and Responsibilities

1. The District recognizes and agrees to work with designated Stewards and representatives of the Union on all matters relating to the interpretation, application, enforcement or grievance of the express terms of this Memorandum.
2. There may be up to six (6) Stewards designated to represent the following areas: Administration, Plant Operations, Pumps/Lab, Underground Repair, Heavy Maintenance/Equipment Repair/Electrical/ Diamond Valley, and Supervisors. When Stewards are designated, the Union Business Representative will provide a letter to the General Manager notifying him/her of the appointment(s) and shall furnish the District with a list of same.
3. No Shop Steward can be forced to act as Steward, or representative by the District or the members. Stewards will not be recognized by the District until such a list is received by the General Manager.
4. Typical duties of the Shop Steward(s) may include:
 - a. Contacting the Business Representative if any condition or situation which has caused or is likely to cause a breakdown in the usually harmonious relationship with the District.
 - b. Serving as the usual primary point of contact between the Union (specifically the Business Representative) and the members.
 - c. Keeping the Union Business Representative informed of any developing conditions or concerns.
 - d. Representing members in employee-management meetings and advising the members in the areas they represent.
 - e. Representing members at Safety Meetings if so designated by the Union Business Representative and advising the members in the areas they represent.
 - f. Representing members at Insurance Committee Meetings if so designated by the Union Business Representative and advising the members in the areas they represent.
 - g. Representing members at Contract Negotiations if so designated by the Union Business Representative.
 - h. Upon the request of the aggrieved Employee and the Business Representative, all Stewards may investigate grievances provided it is in their

assigned area of responsibility and may assist in its presentation. There is no specific time limitation as to the investigation; however if more than an hour is necessary, the Union Business Representative would customarily be contacted to conduct the investigation.

5. The Steward has no independent authority to seek adjustments of violations of this MOU, the International Constitution or Bylaws, or to collect any money due or payable to the Local Union from any member of applicant for membership.
6. Shop Stewards should notify their supervisor of time needed beyond 15-minutes for Union-related activities, keep track of the time spent on Union related activities and contact the immediate supervisor of any additional time needed beyond initial release time. At the request of the Union, a Steward may be allowed reasonable time off without loss of pay to represent the Union in meetings with representatives of the District. Such time off shall be subject to prior notification and approval as provided above.
7. It shall be the responsibility of all Stewards to discuss first with the appropriate manager any question regarding interpretation of application of this Memorandum prior to filing a formal grievance.
8. The Union Business Representative should be contacted prior to the District conducting an investigation after Weingarten Rights have been invoked.
9. Shop Stewards may not represent members in disciplinary actions. It is the Union Business Representative who should represent the member in any Skelly Hearing.
10. Other than to use e-mail for District-related Union business, Shop Stewards shall follow the provisions of the District's Personal Computer Policy.

SECTION 4. DEFINITIONS

For the purpose of this Memorandum of Understanding, certain words and phrases are hereby defined as follows:

- A. Alternative Work Schedule Any schedule which involves a variation of the regular work schedule for a total of an average of 40 hours per week.
- B. Class/Classification Any classified or unclassified position as described in the applicable job description.
- C. Classification Series Any classified or unclassified group of positions identified by the same title.
- D. Day A calendar day.
- E. Demotion A change in position to a position with a lower range.
- F. Fringe Benefits Holidays, sick leave, vacation, health and welfare benefits, deferred compensation plan(s), flexible benefits plan and retirement benefits.

- G. General Manager The person having the lawful authority to appoint or to remove persons from positions in the District service, and to designate persons to perform those duties which legally may be delegated.
- H. Hourly Rate The amount of individual compensation for a full hour's service, which either is computed by dividing monthly salary by the number of working hours in a month or is specifically established in the Annual Salary Resolution.
- I. Monthly Salary The amount of individual compensation for a full month of service, which is established specifically in the Annual Salary Resolution.
- J. Promotion A change in position to a position with a higher range.
- K. Range A sequence of salary steps used to identify the minimum, maximum, and intermediate salary rates which may be paid to employees within a class.
- L. Regular Employment Date For Employees hired on or after July 1, 1993, the Regular Employment date is the date an Employee becomes a regular or probationary Employee occupying a permanent position. The Regular Employment Date for all Employees hired before July 1, 1993 shall be the accrual date on payroll records as of June 30, 1993.
- M. Regular Work Schedule Eight hours per day, five days per week.
- N. Scale The rate of compensation, for a class, which is established specifically in Exhibit A.
- O. Step One of the salary rates identified in the Annual Salary Resolution by the letters A, B, C, D, E, F, G, and H, which are used to identify the specific compensation of an employee within the established range for the class.
- P. Transfer Movement to a position with the same range.
- Q. Work Day A regular business day from 8:00 a.m. to 5:00 p.m., Monday through Friday.
- R. Y-Rate A monthly salary rate, for an individual Employee, which is greater than the established range for their class.

SECTION 5. TYPES OF EMPLOYEES

- A. Classified Employees All Employees filling positions within the approved table of organization that are responsible to the General Manager rather than the Board of Directors.
- B. Confidential Employees The following positions shall be considered confidential and are excluded from the bargaining unit:

General Manager/Engineer
 Executive Services Manager
 Public Information Officer

Assistant Manager/Engineer
 Engineering Department Manager
 Principal Engineer

Human Resources Director
Accounting Manager
Information Technology Manager
Manager of Field Operations
Customer Service Manager
Laboratory Director

Senior Engineer
Manager of Plant Operations
Purchasing Agent
Water Reuse Operations Manager
Hydro-geologist
Associate Engineer

- C. Full-Time Employee Employees who regularly work at least an average of 40 hours per week.
- D. Part-Time Employees Any regular or temporary employees who work less than full time. Regular part-time employees will accrue sick leave, vacation and holiday pay on a proportional basis. Part-time regular employees may work longer than 40 hours per week on a case-by-case basis, with the approval of the General Manager, to fill in for a regular Employee who is on leave, for limited training, or for extraordinary special projects.
- E. Probationary Employee Those persons employed for a classified position, but who have not been in District service for a consecutive six-month period. All new Employees shall serve as Probationary Employees for the first six months of their employment. Completion of a satisfactory probation period is mandatory before becoming a permanent Employee. During this time, the Employee must demonstrate they can and will perform the duties of the position satisfactorily. It is the responsibility of the Employee's supervisor to give them proper orientation and training during this period. The supervisor is also to rate their performance, and if unsatisfactory, to dismiss them before the Employee is given a permanent position with the District.
- F. Regular Employee Any Employees who have completed a probationary period and who occupy a permanent position, whether part-time or full-time, established in accordance with the Annual Salary Resolution, in a class which is intended as a permanent employment; and any regular Employee who temporarily transfers to a temporary position.
- G. Temporary Employee Those employees who are employed for a period not to exceed 180 continuous days. Temporary Employees may work in excess of the 180 day term of employment on a case-by-case basis, with the approval of the General Manager, if filling in for a full-time Employee who is on leave or in training. Temporary Employees are not entitled to fringe benefits.
- H. Limited Term Employee Any Employee(s) who have completed a probationary period and who occupy, either full-time or part-time, a Limited Term Position, as established in Exhibit A – "Salaries and Classifications", and any Regular Employee who temporarily transfers to a Limited Term Position. Said Limited term Employee shall be required to satisfactorily complete a six-month probationary period. If probation is not satisfactorily completed, Limited Term Employee will be able to return to previously held position at the District.

SECTION 6. SUPERVISORS' RIGHTS AND RESPONSIBILITIES

- A. **Training** Supervisors shall be provided initial professional training of at least 40 hours or equivalent in the Principles of Supervision within 180 days of initial hire or promotion date. Additional training, either professional or in-house, shall be provided at least once per year.
- B. **Disciplinary Responsibilities** Except as otherwise specifically provided in this MOU, Employees in Supervisory classifications covered under this Agreement may discipline subordinates alone, up to the level of a written warning. The District shall provide management level staff to perform discipline beyond the written warning level, with Supervisor assistance. Supervisors shall not be required to perform discipline on a subordinate at a place other than District property, unless special conditions warrant.

SECTION 7. EMPLOYMENT

- A. It is the policy of the District that its Employees shall be selected on the basis of education, experience, skill, fitness, merit and efficiency. The District is an Equal Opportunity Employer. Job openings are to be anticipated and well publicized throughout the District so that qualified Employees and others will have full opportunity to present applications for consideration. Employment shall be the responsibility of the General Manager, and he/she shall prescribe such tests and examinations for job positions as he/she deems appropriate.
- B. Job openings shall be posted for a minimum of one week within the Plant. Internal candidates are defined as Regular full-time, Regular part-time, or Limited Term Employees. At the General Manager's discretion, said posting may be prior to or concurrent with advertisement to the general public. The Manager hiring for a position in the Bargaining Unit will generally recruit externally and internally concurrently, except the Manager will have the discretion to forego the external advertising and proceed with the recruitment process solely with internal candidates, as long as there are a minimum of three (3) qualified internal candidates.

SECTION 8. EMPLOYMENT OF RELATIVES

- A. Relatives of present Employees may be hired by the District only if: 1) the individuals concerned will not work in a direct supervisory relationship, and 2) the employment will not pose difficulties for supervision, security, safety or morale. "Relatives" are defined as spouses, children, sisters, brothers, mothers, or fathers, and persons related by marriage.
- B. Present Employees who marry, or who become related by marriage after July 1, 1996, will be permitted to continue employment with the District only if they do not work in a direct supervisory relationship with one another, or otherwise pose difficulties for supervision, security, safety, or morale.
- C. If employees who marry, or who become related by marriage, do work in a direct supervisory relationship with one another, the District will attempt to reassign one of the Employees to another position for which he or she is qualified, if such a position is

available. If no such position is available, then one of the Employees will be required to leave the District. The decision as to which Employee will leave is left to the involved Employees. If the involved Employees refuse to decide which Employee will leave the District, the District may determine which Employee will leave based upon the needs of the District, and considering seniority, training requirements and other pertinent factors.

SECTION 9. PROMOTION

- A. The relative merit of applicants for appointment to, or promotion within, the classified service shall be determined by examination. Examinations will include consideration of any or all of the following factors: education, experience, knowledge, skill, special aptitude, general adaptability, personal characteristics, physical fitness, promotability, and other such qualifications as are considered necessary by the General Manager for the satisfactory performance of work of the classification being examined. Examinations may consist of written tests, performance tests, evaluation of qualifications, oral examinations, interviews and assessments of the applications submitted.
- B. If a selection interview board is appointed for the purpose of considering the merits of applicants, it will include a District management level employee and an individual outside the District experienced in the work area being considered, if available. Alternatively, the selection interview board may consist of one District employee in an area unrelated to the position being interviewed, who will be considered the "outside" panelist. Said selection interview board will make recommendations to the General Manager.
- C. Any Regular Employee who is promoted to a higher level position in the District shall serve a six-month probationary period in the new position. If such Employee fails to satisfactorily complete the probationary period in the new position, the Employee shall have the right to return to his/her previous position in which he/she held regular status.
- D. Any probationary Employee may be rejected at any time during the probationary period. Rejection during the probationary period shall result in termination of employment by the District, except in promotional situations as set forth above.

SECTION 10. REINSTATEMENT

Any regular Employee who has resigned while in good standing, may, at the discretion of the General Manager, be reappointed to any position in the same class where there is a vacancy.

SECTION 11. FITNESS FOR DUTY EXAMS

- A. Any Employee may be required to submit to a medical and/or psychological examination whenever, in the sole and exclusive judgment of the General Manager or his/her designee, there is a need to determine whether an Employee is still able to perform the essential functions of his/her job, or is unable to perform the essential functions of his/her job safely or without posing a danger to himself/herself or others. Said examination(s) shall be conducted by a physician designated by the District and any cost for such examination(s), beyond that covered by health insurance, shall be paid by District. In accordance with applicable state and federal disability laws, the District may

obtain job-related medical or psychological information that allows the District to determine the effects of the condition on the Employee's ability to perform the essential functions of his/her job, and/or perform those functions without posing a direct threat to the safety of the Employee or others, with or without reasonable accommodation.

- B. All Employees in positions for which the job duties require the use of self-contained breathing apparatus and/or commercial driver's license shall be required to submit to job-related medical examinations as required by law.
- C. Employees who, in the opinion of the designated physician, are physically or mentally incapable of meeting essential requirements of their position even with reasonable accommodation, are subject to transfer or reassignment to non-promotional positions, the essential functions of which the designated physician indicates the Employee may safely perform without posing a danger to himself/herself or others, and for which the Employee meets the minimum qualifications. If, after engaging in any required interactive process, the General Manager determines that no reasonable accommodation can be made nor can transfer or reassignment to a position for which the Employee is physically and mentally qualified be made, the Employee may be medically separated for inability to perform the essential functions of the position.

SECTION 12. ASSIGNMENTS REQUIRING MOTOR VEHICLES

- A. Whenever it is necessary for Employees to use a motor vehicle in the performance of assigned duties, they shall have such vehicle furnished to them or they shall be compensated for the use of their personal vehicle at a rate for mileage established by the District.
- B. No Employee shall use a District vehicle or claim compensation for mileage, except in connection with the performance of official District business.
- C. Employees shall be assigned duties requiring use of motor vehicles, in accordance with the motor vehicle code and other applicable laws.
- D. Seat belts, which are furnished in District vehicles, shall be properly used, and by this Memorandum of Understanding, every Employee is fully informed of these requirements. Employees using personal vehicles shall be required to have and use seat belts at all times when using such vehicles on District business in accordance with California laws. Failure to use seat belts shall be cause for discipline.
- E. All Employees who are required to maintain a valid driver's license in accordance with their job description, shall maintain their insurability at all times. If an Employee is required to drive as part of his/her job duties, lack of insurability shall be cause for discipline.

SECTION 13. UNIFORMS

- A. When required for convenience and benefit of the District, Employees may be required to wear uniform clothing as specified by the General Manager.

- B. The General Manager may authorize the provision or partial provision for such clothing and/or the cleaning and maintenance of such clothing.
- C. All clothing provided by the District shall be returned to District on termination of employment. Any Employee who loses uniform in laundry shall report such loss to Accounts Payable within five (5) days of such loss.
- D. Effective June 19, 2003,
 - a. This benefit shall apply to certain employees of the Local Miscellaneous Classic members group (Rate Plan 4179).
 - b. This benefit shall consist of a pro-rata share of uniform expense not to exceed \$1,500.00 per annum. This benefit shall not apply to employees of the Local Miscellaneous PEPRAs members group (Rate Plan 27175).
 - c. The District will report to CalPERS the monetary value for providing and maintaining eligible employees' required uniforms. The District will report the uniform allowance amounts eligible as special compensation to CalPERS on a per payroll basis, not to exceed \$1,500 per year, per employee.
- E.

SECTION 14. EMPLOYEE TRAINING

It is the policy of the District to encourage and facilitate a program of training in the interests of Employee efficiency and as an aid to qualifying Employees for advancement. The General Manager may take any of the following steps to develop and facilitate training programs.

- A. Give counsel and advice to Employees, when requested, and information regarding possibilities of advancement in their field of work, and suggest any additional training of value.
- B. Develop and establish mandatory and voluntary training programs for Employees, including supervisory personnel.
- C. Promote Employee training programs sponsored by educational institutions.
- D. Record the completion of training programs on the Employee service record.
- E. For management approved training programs that Employees attend, compensation shall be the appropriate rate for the actual training time and actual travel time.
- F. Any Employee may participate in special educational and training programs with District approval.
- G. Such assignments shall be limited to programs which are directly related to the District and which provide knowledge and ability which cannot reasonably be provided on the job.
- H. All training assignments conducted outside District facilities or which include a District payment for tuition, registration fees, transportation, or other costs, shall be approved in advance by the General Manager.

- I. All training assignments expenses shall be recorded and/or reported in the manner prescribed by the General Manager. The District shall pay the full cost of all tuition, examinations, and books in accordance with District policy.
- J. Whenever Employees are ordered or authorized to travel for approved training, they shall be compensated for the necessary travel expenses including transportation, lodging, and meals in accordance with District policy.
- K. The District shall fix maximum allowable travel expenses which shall apply, uniformly, to all bargaining unit Employees.

SECTION 15. CERTIFICATION REIMBURSEMENT PROGRAM

- A. The District will pay for job-required mandatory certifications and their renewal, licensing and their renewal, and Continuing Education Units required to maintain certification(s) as follows:

Expenses that will be covered are:

- 1. Travel Time
- 2. Travel Expenses
- 3. Employee Time during class or exam
- 4. Certification Preparation Class
- 5. Certification Test for an unlimited number of times for mandatory certifications.

- B. The District will pay for approved advanced level or out-of-classification certifications and their renewal as follows:

Expenses that will be covered are:

- 1. Travel Time
- 2. Travel Expenses
- 3. Employee Time during class or exam
- 4. Certification Preparation Class
- 5. Certification Test, up to three attempts, pass or fail for above level or out-of-classification certifications.

- C. Wastewater Operator Certification

Plant Operator I shall receive a five percent (5%) salary adjustment upon receipt of California State Water Resources Control Board Grade II Wastewater Treatment Plant Operator Certification. Plant Operator I's that skip the Grade II exam and pass the Grade III exam will get a minimum of a 10% increase when moving to the Operator III position.

- D. New Employees shall have two years from date of hire (unless otherwise specified in their job description) to obtain either the State or District-required certification and/or proficiency requirements. If required certification/proficiency is not obtained within the allotted time period, the Employee shall be terminated from employment with the District.

- E. Any qualified in-house Employee who is at a lower pay scale will go to the top step of Inspector I and will be given a 5% salary increase from their current position. They will then be Y-rated at that rate until such time as they receive their Backflow Tester certification and have the functional knowledge of all other requirements of the Inspector II job description. They will be given 24 months from date of promotion to obtain the Cross Control Specialist certification once they become an Inspector II.

SECTION 16. EDUCATIONAL REIMBURSEMENT PROGRAM

When approved by the General Manager or his designee, regular Employees shall be reimbursed for expenses incurred for educational training in a field that is related to the employee's job and career path. Educational expense reimbursement shall be provided to reimburse an Employee for out-of-pocket expenses for educational training that is not otherwise provided or paid by the District.

All of the following expenses shall be reimbursed:

- A. Registration Fee
- B. Tuition/Enrollment Fee
- C. Required Books

Employees will not be reimbursed for travel time, travel expenses, class time and study time. District vehicles may not be used for travel unless the Employee is on standby.

Employees will be reimbursed for the above expenses, upon successful completion of their class work, up to a maximum of \$1,600 per year.

SECTION 17. PERFORMANCE EVALUATIONS

- A. Performance evaluations shall be rendered every six months until Employee reaches G Step and shall then be rendered annually for all regular Employees. For Employees hired on or after January 1, 2013, performance evaluations shall be rendered every twelve (12) months until Employee reaches the top step, except for probationary Employees, which shall be a six-month evaluation. Probationary Employees shall receive a performance evaluation prior to the conclusion of the six-month probationary period and may receive several such evaluations during the probationary period. Supervisors shall report on the nature of the service rendered by each of their subordinates. The supervisor shall review the report with the Human Resources Director and the Employee before submitting it to the Program Manager and the General Manager.
- B. If Employees are dissatisfied with their performance evaluation, they may confer successively with their immediate supervisor and the head of their division. If the Employee believes the evaluation does not correspond to the facts, he/she may then appeal to the General Manager who shall make the final decision regarding performance evaluations. Any appeal to the General Manager shall be in writing and shall contain the basis for the appeal and specific facts supporting the appeal.
- C. A performance evaluation of "Not Acceptable" shall be considered unsatisfactory and failing to meet minimum performance standards. Employees receiving a "Not

Acceptable” rating may be dismissed from District service and, if two consecutive performance evaluations of “Not Acceptable” are made, the Employee shall be dismissed from District service. Such dismissals shall be in accordance with the disciplinary procedure.

SECTION 18. CODE OF CONDUCT

In the interest of promoting harmonious labor relations between the District and Employees, and to provide a positive work environment, the following Code of Conduct is required of all District Employees.

A. Code of Conduct

All Employees shall exhibit behavior that encourages mutual respect, teamwork, and positive attitudes, during their term of employment. All Employees are expected to exhibit financial and reputable Stewardship toward the District and the public that the District serves.

B. Any Employee may be suspended, dismissed, demoted or otherwise disciplined for cause, including failure to abide by the above Code of Conduct and including but not limited to the following:

1. Willful or persistent violation of District policies adopted by the Board of Directors.
2. Willful failure of good conduct, tending to injure the public service.
3. Theft, or attempted theft.
4. Vandalism or willful conduct which damages real or personal property.
5. Use of fraud, deception, or misrepresentation of material facts in obtaining employment, or during the course of employment with the District.
6. Dishonesty.
7. Discourteous treatment of the public or of fellow Employees.
8. Physical attack, fighting, or verbal altercations toward fellow Employees or the public, or violation of the District’s Workplace Violence Prevention Policy.
9. Drunkenness, immoral conduct or addiction to the use of narcotics, or violation of the District’s Drug-Free Workplace Policy or Substance Abuse Policy.
10. Failure to observe the requirements of the District’s Illness & Injury Prevention Program, including failure to use seat belts in accordance with Section 12.
11. Violation of the District’s Sexual Harassment Policy.
12. Failure to report to calls when on standby.

13. Incompetency or inefficiency.
14. Inattention or dereliction of duty.
15. Insubordination.
16. Absence without leave.
17. Abuse of Sick Leave or excessive absenteeism.
18. Tardiness.
19. Accepting any gift or fee in connection with District work when such gift or fee is given in expectation of receiving favored treatment, or violation of the Gift & Gratuities or Conflict of Interest Policies.
20. Removal, borrowing, or use of District property, equipment, tools or vehicles for non-District purposes without prior written authorization from the General Manager or his/her designee.
21. Political activities engaged in by Employees during their assigned hours of employment.
22. Using or attempting to use political influence in securing promotion, leave of absence, transfer, change of pay, or character of work.
23. Failure to initially obtain, or maintain any required licenses or certifications, or failure to maintain insurability.
24. Continuing illness of a disabling nature after the exhaustion of sick leave and leave of absence privileges where the District is unable to accommodate the disability in accordance with Section 10.
25. Any physical or mental ailment such as to prevent the Employee from performing the duties of his/her position or any other position available for which the Employee is qualified, in accordance with Section 10.
26. Inability to perform the essential functions of the Employee's position as set forth in Section 10.
27. Failure to keep District informed of current home phone number and address.

SECTION 19. DISCIPLINARY PROCEDURE

A. Notice of Proposed Discipline

District shall, prior to taking disciplinary action to demote, dismiss, or suspend a regular Employee, provide the Employee with a written notice of proposed disciplinary action which shall contain the charges, all documentation on which the decision was based,

and the specific factual basis for the charges and the nature of the proposed disciplinary action. Said notice shall inform the Employee of his/her right to respond to the charges.

B. Response

The Employee shall have the right to respond to the charges set forth in the Notice of Proposed Discipline, orally or in writing, within five calendar days of receipt of said notice. Any written response shall be delivered to the office of the General Manager within the time allowed. If the Employee desires to respond orally, the Employee shall make an appointment with the General Manager or his/her designee for a response meeting within the time allowed. The Employee may bring a representative of his/her choice to a response meeting. The Employee or his representative shall provide a detailed written or verbal statement to the Skelly Officer at this Skelly Hearing.

C. Disciplinary Action

After the Employee's response is received, or if no response is received, after the five-day period expires, the General Manager shall determine whether to proceed with the proposed disciplinary action and will notify the Employee in writing.

D. Notice of Disciplinary Action

If the General Manager determines to proceed with the disciplinary action, a Notice of Disciplinary Action shall be sent to the Employee by certified mail. Said notice shall contain the charges, the factual basis for the charges, the disciplinary action imposed, and the effective date of the action which shall not be earlier than five days after the Notice of Proposed Disciplinary Action was sent to the Employee. This notice shall inform the Employee of the right to appeal the action.

E. Appeal

The Employee may appeal any disciplinary actions of demotion, dismissal, or suspension, by filing a Notice of Appeal, along with a statement of reasons for the appeal, with the General Manager within ten days of Notice of Disciplinary Action.

F. Selection of Arbitrator

Within 10 days of receipt of the detailed statement, the District shall request the American Arbitration Association to provide a list of arbitrators from which the parties shall select one to hear the matter.

1. In the event the parties are unable to agree within ten days of receipt of the list of arbitrators, the arbitrator shall be selected by the American Arbitration Association.
2. Both the General Manager and the Employee shall be represented at said hearing by a representative of their choice, who may be an attorney. The District shall present its case first at the hearing. Each side shall have the right to present witnesses and documentary evidence and to cross-examine the other party's witnesses.

G. Decision

1. The decision of the Arbitrator shall be final.
2. The arbitrator shall have no authority to add to, delete or alter any provisions of this Memorandum, but shall limit his/her decision to the application and interpretation of its provisions.

H. Costs

The fees and expenses of the arbitrator and the court reporter, if required by the arbitrator or requested by a party, shall be shared equally by the parties.

I. Witnesses

The District agrees that Employees shall not suffer loss of compensation for time spent as a witness at an arbitration hearing held pursuant to this Memorandum. The Union agrees that the number of witnesses requested to attend and their scheduling shall be reasonable.

J. Leave Pending Action

The General Manager shall have the power to place the Employee on Administrative Leave, with pay, during the investigation, until the Notice of Disciplinary Action becomes effective, or the Employee is returned to work.

K. Probationary Employees

Probationary Employees are not entitled to notice or hearing in the event they are terminated during the probationary period, except as provided by law.

- L. If an employee receives a Counseling Memo or a Written Warning, the Employee will have the right to appeal such disciplinary action by requesting a meeting with the General Manager. This meeting will allow them the opportunity to present their information pertinent to the incident in question. The Employee may bring a representative of his/her choice to the meeting. The decision of the General Manager shall be final.

SECTION 20. LAYOFF

- A. In the event that the District determines to lay off Employees, the Union and the Employees affected shall receive notice of the layoff sixty (60) calendar days prior to the effective date of layoff, except where immediate layoff is required by circumstances beyond the control of the District. Layoff and recall shall be based on seniority. Seniority will be determined by department and then by District as a whole. Employees who are laid off shall be placed on a layoff and rehire list, which shall be provided to the Union Business Representative and updated as changes occur.
- B. The least senior employee in any classification which is being reduced shall be noticed of layoff. The Employee shall have the right to bump into any classification in which

he/she previously worked, based on his/her seniority as compared with incumbents in that classification. Any Employee who has no bumping rights may displace a less senior Employee in any other classification provided that he/she is qualified for that position.

- C. Limited Term Employees shall receive a minimum of two weeks' notice of the end of their Limited Term Position and shall have the right to return to their previously held position with the District. Such end of the Limited Term Position shall not be considered a layoff. Any Employee(s) hired to replace existing employees on Limited Term Assignments shall be given a minimum of two weeks' notice of the end of their employment with the District, and this shall not be considered to be a layoff. Such employees will have the right to apply for any future openings at the District.

SECTION 21. HOURS OF WORK

- A. The General Manager shall determine the hours of work for each Employee in accordance with the needs of the Department.
- B. The hours of work, including authorized absences with pay, of all full-time Employees, shall be an average of forty (40) hours per week.
- C. The normal work schedule in the District is eight (8) hours per day, five (5) days per week. At the District's discretion, it may establish certain 10-hour or 12-hour shifts on temporary or continuing basis. Assignments to such shifts shall be made solely by the District without regard to seniority.
- D. The District may, on a determination that certain existing 10-hour or 12-hour shifts are detrimental to a particular operation, reassign Employees on 10- or 12-hour shifts to a normal work schedule on 30 days' notice to the Employee and the Union. Employees will be given two (2) weeks' notice for shift changes (while still remaining on 10- or 12-hour schedules) that are expected to last more than 30 days. Shift changes of less than 30 days will not be made solely for the purpose of avoiding payment of overtime.
- E. The hours of work, including authorized absences with pay, of all part-time Employees shall be established by the General Manager and shall normally be less than eight (8) hours per day and less than forty (40) hours per week.
- F. Employees who are allowed a lunch period as part of each shift may be excused at the end of the shift at the discretion of the General Manager; provided, however, that any such shift shall be extended to include a full shift of work for an Employee, without additional compensation, whenever the needs of the department so require.
- G. The General Manager may require any Employee to work in excess of the normal hours of work whenever the needs of the department so require. Such additional work shall be compensated in accordance with the provisions of this Memorandum which govern emergency assignments.
- H. The General Manager may require any Employee to work assigned shifts with hours other than 7:00 a.m. to 6:00 p.m., or days other than Monday through Friday.

I. For purposes of the FLSA, the workweek is defined as follows:

12-hour Employees	4:00 a.m. Thursday through 3:59 a.m. Thursday
Pumps Employees	12:01 a.m. Friday through 12 midnight Thursday
8-hour Employees	12:01 Thursday through 12 midnight Wednesday
10-hour Employees	12:01 Thursday through 12 midnight Wednesday
9/80 Employees	Refer to individual Flexible Schedule Agreements

J. An alternative work schedule will be available on a voluntary basis to administrative employees (Administration, Engineering, Customer Service, Finance, Information Systems) with the approval of the department manager. New employees must have completed their probationary period in order to participate in the alternative work schedule program. Employees who have transferred to a new department must have completed a minimum of three months in their new position to participate in the alternative work schedule program.

Employees not electing to participate will remain at their present weekly work schedules. The hours worked must include 8:00 a.m. to 5:00 p.m. The 9/80 work week schedule is defined as a two-week 80 hour schedule of eight nine-hour days, one eight-hour day typically worked on Monday or Friday during the two-week period, and the other Monday or Friday off. Each manager will coordinate the day off and/or make variations in scheduled days off to maximize productivity. The eight-hour work day and day off are not subject to change unless approved by the Department Manager. Prior to participation in the program, an alternative work schedule policy agreement shall be completed. (See Exhibit B)

Overtime will be paid only if an Employee is asked to work on a scheduled day off, or if required, works beyond their regularly scheduled hours of work. Out-of-class pay will apply per Section 28 of the MOU, except no out-of-class pay will apply on a supervisor's or manager's regularly scheduled flex day off.

An Employee having a regularly scheduled Monday off, falling on a holiday, shall take the following Tuesday off; should a holiday fall on a Friday on a regularly scheduled day off, the Employee will take the preceding Thursday (or Wednesday in the case of Thanksgiving) off.

The Department Manager will monitor the level of service to external and internal customers, and added cost to the District (if any), to determine whether any adjustments need to be made concerning the individuals participating or the structure of the flexible work schedule. While it is anticipated that the alternative work schedule will be a long-term arrangement, it can be terminated, either for any individual, or for a department, by the Department Manager or General Manager, if they believe present service and productivity levels have deteriorated or if other circumstances arise that make it untenable. The employer agrees to provide a minimum of two (2) weeks' notice when terminating an alternative work schedule. This notice requirement will not apply to temporary suspension of an alternative work schedule arrangement due to immediate operational need.

SECTION 22. STANDBY AND EMERGENCY ASSIGNMENTS

Whenever it is necessary for the protection of public health, safety, or welfare, Employees may be required to remain on standby for emergency work and/or to perform emergency work during off duty hours, and will be paid for such services, in addition to their regular salary, as provided in this section.

A. Primary Standby

1. Employees on Primary Standby shall live within, or use accommodations in, the District's service area or the Lake Tahoe Basin portion of Douglas County Sanitary Improvement District (DCSID). The District will provide reasonable accommodations at or near the District for those Employees not residing within the above service area.
2. Employees on Primary Standby will be assigned a District vehicle equipped with the basic tools of the trade and appropriate communications devices, and will be required to be immediately available at all times during the standby period, subject to all provisions of Section 18 of this Memorandum.
3. Employees who are on Primary Standby for emergency work shall be paid \$4.50 per hour for each hour on standby, whether or not they are called to work. Holiday standby will be paid at the rate of \$4.50 per hour multiplied by the appropriate holiday rate.

B. Secondary Standby

1. Whenever the General Manager or his/her designee deems it necessary for the safety and well-being of the general public, Employees may be assigned to Secondary Standby.
2. Those Employees assigned to Secondary Standby will be assigned a District vehicle equipped with the basic tools of the trade and appropriate communications devices, and will be required to be immediately available by phone or pager at all times during the standby period, subject to all provisions of Section 18 of this Memorandum.
3. Employees assigned to Secondary Standby must stay within a sixty (60) mile radius of the District's Main Plant Facilities in South Lake Tahoe at 1275 Meadow Crest Drive and shall be able to respond to the Main Plant or specific locations as requested, within a reasonable period of time.
4. Employees who are on Secondary Standby for emergency work shall be paid \$3.50 per hour for each hour on standby, whether or not they are called to work. Holiday standby will be paid at the rate of \$3.50 per hour multiplied by the appropriate holiday rate.
5. Employees who are assigned to Secondary Standby duty then reassigned mid-duty to Primary Standby duty shall receive the Primary Standby rate for all hours assigned.

C. Tertiary Standby

1. Whenever the General Manager or his designee deems it necessary for the safety and well-being of the general public, Employees may be assigned to Tertiary Standby.
 2. Those Employees assigned as Tertiary Standby are required to be able to be contacted within one hour, subject to all provisions of Section 18, Code of Conduct, of this Memorandum, and will be provided appropriate communications devices.
 3. Employees who are on Tertiary Standby for emergency work shall be paid \$2.00 per hour for each hour on standby, whether or not they are called to work. Holiday standby will be paid at the rate of \$2.00 per hour multiplied by the appropriate holiday rate.
 4. When a telephone conversation can eliminate the need for a physical response on a "Call Back" to the District Plant, the Employee shall receive a minimum of fifteen (15) minutes (or the actual amount of time spent on the telephone if that time is greater than fifteen (15) minutes) of 1 ½ times the appropriate rate of pay.
 5. Employees who possess a Water Distribution Operator Certification of at least a D-3, thereby eliminating the need for a Tertiary Standby assignment, shall be paid both the Primary and Tertiary rates stated above.
- D. The District and the Union agree to work together within individual departments regarding terms and conditions implementing the standby policy. Standby duty assignments shall be posted in writing with at least a 10-working day notice whenever possible. In order to maintain flexibility for all parties, crew members may trade or give their standby assignment to another trained and qualified crew member.
- E. When possible, Plant Operators will be used as the Attendant for a confined space entry. If not available, or if a third person is necessary, an additional trained and qualified Employee will be called out.
- F. Standby pay is in addition to any pay for actual work time during standby.
- G. Whenever Employees are ordered to perform emergency work in excess of the normal working hours per week, whether or not they are on standby duty, they shall be paid for such work at the hourly equivalent of their hourly salary times one and one-half.
- H. For emergency work calls, Employees shall receive a minimum of two hours pay. For work performed over two hours, but less than four hours, employees shall receive four hours pay.
1. All time is to be paid at 1 ½ times the basic rate.
 2. An Employee will not be paid for more than two call-outs in a two-hour period per calendar day.

3. Portal to portal pay shall be paid when a standby Employee is called back.
- I. A meal allowance of \$7.50 shall be granted when an employee works at least two hours overtime after his/her regular shift for that day has been completed. The allowance shall be \$10.00 if he/she works two complete shifts without a break.
 1. When an Employee works at least four hours on a regularly scheduled day off and he/she receives less than two hours' notice to report to work, he/she will receive a meal allowance of \$7.50. If he/she works a complete shift, the allowance will be \$10.00.
 2. To qualify for the meal allowance on a standby shift, the Employee must actually work at least four continuous hours or one continuous shift and have received less than two hours' notice to report to work.
- J. Any exceptions to the above will be just that, and are not to be construed as a change in the policy or the setting of precedent to be followed in the future.

SECTION 23. REST PERIODS

- A. Subject to the discretion and control of the General Manager, all Employees may be allowed rest periods not to exceed 15 minutes during each four consecutive hours of work.
- B. Such rest periods shall be scheduled in accordance with the requirements of the department, but in no case shall rest periods be scheduled within one hour of the beginning or the ending of a work shift or lunch period.

SECTION 24. LUNCH PERIOD

- A. All District Employees normally shall be allowed a lunch period of not less than thirty minutes nor more than one hour which shall be scheduled generally in the middle of the work shift.
- B. Whenever it is necessary for Employees to work overtime in excess of two consecutive hours, they shall be granted an additional lunch period, the taking of which is optional with the Employee.
- C. Lunch periods shall not be counted as part of total hours worked, except for those Employees for whom lunch periods include the actual performance of assigned duties.

SECTION 25. SALARY STEP UPON APPOINTMENT TO A CLASS

- A. New Employee

Except as otherwise provided herein, any person appointed to a class shall receive the entry step of the range for such class and shall accrue other benefits as a new Employee.

B. Reemployment

Any persons re-employed following layoff shall receive compensation and benefits as though they had been on leave without pay.

C. Reinstatement

Any persons appointed in accordance with the contractual provisions governing reinstatement following resignation in good standing shall be considered as new Employees; provided, however, that at the discretion of the appointing authority, such Employees may receive a starting salary higher than Step A.

D. Return to Former Class

1. Whenever Employees are returned to their former class following promotion or transfer, they shall be placed on that step of the range which they held when they left the former class.
2. This section shall not apply to existing Employees who return from the Limited Term Position. Any merit increases received during the Limited Term Position shall apply to the Employee's return to their previous position. Therefore, Limited Term Employees shall receive the same step upon their return to their previous position as they received in their Limited Term Position.

E. Whenever Employees are promoted, they shall receive the lowest step in the higher range which provides a minimum increase of 5%. This salary shall not exceed the top step.

1. A promotion in the same job class will not change the Employee's merit increase date.

F. Transfer

Whenever Employees are transferred to a class, the range for which is less than five percent (5%) or the equivalent of one step difference from the range of their former class, such employees shall receive the same step in the new range as they received in the former range, adjusted in accordance with subsection H, if applicable.

G. Demotion

1. Whenever Employees are demoted, due to layoff, to a class having a lower salary range, their salary range shall be that step in the new range which provides equal or, in the absence thereof, the nearest lower salary to that which they received prior to the demotion. In all cases of voluntary demotion, the Employee shall receive the same step in the lower range as they received in the higher range. There shall be no change in merit increase date on demotion (keep current date).
2. Employees demoted as a result of rejection during a probationary period in a promotional position shall revert to the merit increase date they previously held in the lower class.

3. In all cases of demotion for cause, the salary placement shall be determined as part of the disciplinary action.
4. Employees may demote into prior bargaining unit positions held in the District.

H. Adjustment for Length of Service

The salary advantage of an entry step above Step A shall apply only to the class for which it is established and shall not apply to any Employees who change to another class. The salary step for Employees who voluntarily change to a class with a lower entry step shall be reduced to the step that is commensurate with their length of service in the former class.

I. Return Following Leave Without Pay

Return following leave without pay is not an appointment, but is a continuation of service; however, salary and benefits, other than employment status, shall be based on actual service. This provision shall not apply to Employees returning from military leave.

J. Appointment of Exceptional Applicant

The General Manager may approve a salary above the established entry step for the class in order to recruit an individual who has demonstrated superior knowledge and ability in the hiring process and whose combined education and knowledge and experience represents substantially better preparation for the duties of the class than required by the minimum employment standards. In the application of this provision, consideration also shall be given to current employees in the same class who possess comparable qualifications and if determined equivalent, adjustments shall be made in accordance with the provisions of Section 26 of this Memorandum.

- K. Any change to job descriptions for a classification shall be subject to the meet and confer process.

SECTION 26. MERIT INCREASES IN SALARY STEP

- A. Increases in steps above the entry step shall not be automatic but shall be based on performance and length of service and shall be granted to eligible Employees at the discretion of the General Manager. The following are requirements for granting a merit increase:

1. For Employees hired before January 1, 2013, the Employee must have earned the equivalent of at least six months of full-time eligible service since their merit increase date for increases from Step A, C, D, E; twelve months service from Step B and twelve (12) months service from Step G. For Employees hired on or after January 1, 2013, Steps A and B will be eliminated. Step C will become the new Step A, and the steps will go through

Step F. The Employee must have earned the equivalent of at least twelve months of full-time eligible service since their merit increase date for increases between each step, except for the initial probationary step, which shall be at six months, regardless of which step hired into. An Employee moving from a I to a II position shall be placed at the next lower step on the new position as they were on in the old position. This does not apply to Plant Operators, as there is no Operator II position. Plant Operators that skip the Grade II exam and pass the Grade III exam shall move to Operator III with a minimum 10% increase.

2. The General Manager must specifically approve the merit increase for which an Employee is eligible.
- B. Except as otherwise provided herein, Employee's merit increase dates shall be computed from the first day of service in any class or the date of their last merit increase, whichever is most recent.
1. Upon promotion, an employee will receive a new merit increase date. This shall not apply to movement from I to II in the same class.
- C. Extra help employment shall not be considered eligible service for merit increases.

SECTION 27. GENERAL SALARY ADJUSTMENTS

Effective June 29, 2017 Employees shall receive a Cost of Living Adjustment of two and one-half percent (2.5%). Effective June 28, 2018, June 27, 2019 and June 25, 2020 Employees shall receive a Cost of Living Adjustment of two and one-half percent (2.5%) each respective year.

- A. Upon ratification of this Memorandum of Understanding, a Total Compensation Study will be performed, for implementation the following June 27, 2019, with full involvement by a labor-management committee. The committee will agree which consultant and agencies to use as a first step. The selected consultant will also be tasked with assisting the committee in making a determination as to the appropriate CPI Index(es) for South Lake Tahoe. Implementation of the Compensation Study is to be negotiated upon its completion, but in no event shall affect the application of the full cost of living adjustment for each Union position for the term of the contract.
- B. Reclassification Process

Whenever the scope, responsibility, or assigned job duties for any position substantially change, a request for salary range adjustment, with all supporting documentation, may be presented to the General Manager. All decisions shall

be documented by stating the reason(s) for approval or denial. Decisions by the General Manager shall be final.

If the District wishes to change the salary range of a position, it shall be done on a meet and confer basis with the Union, pursuant to the above process.

C. Y-Rate Adjustments

1. Whenever an Employee would suffer an actual decrease in salary as a result of action taken by the District, without fault or inability on the part of the Employee, the General Manager may adopt a Y-rate to apply only to the Employee so affected.
2. Any Employee for whom a Y-Rate is established shall not receive any increase in salary until such time as their rate of compensation is within the established range for their class.

D. Emergency Salary Adjustments

1. Whenever exceptional recruitment and/or retention difficulty is encountered in a class due to the established salary range, the Board of Directors may establish a temporary recruitment and/or retention pay allowance for the class.
2. Such temporary pay allowance shall be the equivalent of one or more salary steps for the class.
3. The Board of Directors shall designate the step or steps of the established salary range for the class to which the temporary pay allowance shall apply, and the pay allowance shall apply uniformly to every Employee in the salary steps so designated.
4. Such temporary pay allowance shall automatically terminate upon the effective date of the new Annual Salary Resolution.
5. The establishment and termination of such temporary recruitment pay allowance shall not affect any Employee's merit increase date or step within the established salary range for the class.
6. When an Employee's change in class and/or salary occur simultaneously with adjustment in salary, the Employee's change shall precede the annual Salary Resolution adjustment in application.

SECTION 28. OUT-OF-CLASS SALARY ADJUSTMENTS

- A. Employees assigned responsibility not required of their classification and required of a classification whose salary range is five percent (5%) or more than the Employee's classification, excluding non-specified tasks, shall be paid at a rate of five percent (5%) greater than their classification for time actually spent performing the out-of-classification responsibilities.
- B. Employees assigned responsibility as Acting Supervisor, or assuming responsibility thereof when not specifically assigned (i.e., when supervisor is sick), shall be paid at a rate of seven and one-half percent (7 ½%) greater than their classification for time spent having the Acting Supervisor responsibility and being available to perform the duties. Such Acting Supervisor pay will be for the entire work shift that the employee is available to perform the Supervisor responsibilities. Lab personnel supervising the Part-Time Lab Aide shall receive Acting Supervisor pay during that assigned weekend shift.
- C. Acting Supervisor pay shall be paid on an interim basis for 60 days, and may be extended by the General Manager for another 30 days. Thereafter, Supervisor pay shall apply and Employees will be placed at the step in the Supervisor's range that corresponds with their step in their current range for the remainder of the acting assignment. Employees filling in for management positions on a long-term basis, as stated in the above paragraph, will receive an additional 7.5% for a total of 15% over their regular base pay.

SECTION 29. PREMIUM PAY

- A. When regular Employees are assigned to work specified shifts regularly with hours other than 7:-00 a.m. to 6:00 p.m., or days other than Monday through Friday, such regular employees shall receive a rate of pay equal to their hourly rate plus five percent (5%) premium payment. The premium shall apply to any overtime pay earned due to extra hours worked. The provisions of this paragraph shall not apply to any Employees assigned to 12-hour shifts or working Monday through Friday on a regular basis.
- B. Effective September 17, 1999, the Union was certified by the National Labor Relations Board (NLRB) as bona fide under Section 7(b) of the Fair Labor Standards Act (FLSA). As a result of collective bargaining, the parties have reached an Agreement regarding implementation of a plan under Section 7(b)(2) of the Fair Labor Standards Act. Therefore, in conjunction with the terms of the Agreement, Employees who work 12-hour shifts in the Operations department, shall receive an 8.37% premium pay. The 8.37% premium pay will replace paid overtime for the extra eight hours worked on the third week of the schedule rotation. The premium pay shall apply to all hours worked. Holiday and any

Leave hours do not count as hours worked for purposes of calculating this premium.

- C. Employees assigned to the solids system shall be paid a three and one-half percent (3 ½%) differential when working in the solids system one full shift, or for actual time spent in the solids system. This premium shall not apply to 12-hour Employees in the Operations department, whose solids system differential is included in paragraph B above.

SECTION 30. OVERTIME

- A. Overtime pay shall be one and one-half (1-1/2) times the Employee's basic rate of pay. All hours worked in excess of designated daily shift shall be compensated at the overtime rate. Hours worked in excess of the designated daily shift shall be approved in advance by the Employee's supervisor.
 - 1. If, after working overtime, there is less than an eight hour period between the time the employee leaves work and his next scheduled work shift, the employee shall take the following shift off and will be paid regular pay for the missed shift. Overtime work and time off will be subject to supervisor and/or manager approval. For Employees in the Operations department, they shall be allowed to leave their work shift early enough to allow for eight hours off before an early mandatory morning meeting, subject to supervisor/manager approval.
- B. Employees may elect to accumulate overtime hours at one and one-half (1-1/2) times the Employee's basic rate of pay. These hours may be accumulated for future use by the Employee. The total accumulated compensatory time shall not exceed sixty (60) hours. All overtime worked by Employees exceeding the total accumulated compensatory time of sixty (60) hours shall be paid at the end of the pay period when accrued.
 - 1. The accumulation of compensatory time is not mandatory; the discretion lies with the Employee.
 - 2. The District shall maintain a record for each Employee of the accumulation and use of compensatory time.
 - 3. Compensatory time off shall be approved in advance by Employee's immediate supervisor, who may deny such time off if the supervisor determines the use of this time would be unduly disruptive.
- C. No employee shall receive overtime pay for attending voluntary schooling or conferences. If attendance is mandatory and hours exceed normal shift, the Employee shall be compensated at the appropriate rate.

- D. Part-time Employees shall not receive overtime pay until they have worked at least eight (8) hours in one work day.

SECTION 31. PAYMENT OF SALARY

- A. The pay period for all Employees shall be based on a biweekly period.
- B. Salaries shall be computed in accordance with the following provisions:
1. The regular salary for each Employee shall be based on the actual number of days or hours worked in the period, including authorized absences with pay, multiplied by the Employee's hourly rate. Except for Holiday situations and use of Safety Incentive Pay for 9/80, 10, or 12-hour Employees, and subject to Section 37, all Employees must utilize accrued paid leave, unless on approved FMLA leave, to cover any absences, so that he or she will be paid for his or her normal schedule each work week (i.e., no short checks). This shall not apply to short checks when an Employee may take only the full 8 hours of holiday or Safety incentive pay for the Holiday.
 2. Special payments, including standby, overtime, premium and other special payments, shall be calculated in accordance with the pertinent provisions of this Memorandum and the Annual Salary Resolution.
 3. New Employees, as a condition of employment, shall be required to participate in the District's Direct Deposit program for all compensation.
- C. Salaries shall be paid to all Employees in accordance with the following schedule, provided, however, that Employees who are not paid pursuant to the regular biweekly payroll may be paid on a different date:
1. Regular salaries for each pay period shall be paid not later than the 5th work day of the following week; except that if the 5th work day of the following week falls on a non-work day, but is preceded by a work day, the salaries provided for herein shall be paid on the 4th work day of said week; and except that if the 5th work day of the following week falls on a non-work day and is preceded by a non-work day, the salaries provided for herein shall be paid on the first following work day of said week.
 2. Special payment, including standby, overtime, premium and other special payments, shall be made not later than the regular payroll for the period following that in which such payments are earned or accrued.

- D. The compensation provided in this Memorandum shall be payment in full for all services rendered in a District position and no Employee shall accept any other compensation for services performed in such position.
- E. The District agrees to allow up to two (2) Union members to participate in the Board of Directors' two-member Finance and Operations Committees. Said Union Employee representative(s) may be on a rotational basis, depending on the committee agendas and Employee interest. It is understood by both parties that said committees are advisory only, and do not take any Board action, other than making recommendations to the full Board.

SECTION 32. EMPLOYEE BENEFITS

A. Eligibility

1. Regular Full-time Employees who work (or receive paid leave) for a minimum of 80 hours per month will receive full accrual/pay for holiday, sick leave, vacation, and compensatory time, and are eligible for full participation in the District's health and welfare insurance benefits programs and retirement programs.
2. Regular Part-time Employees who regularly work less than 80 hours per month will receive proportional accrual/pay for holiday, sick leave, vacation, and compensatory time, and are not eligible to participate in the District's health and welfare insurance benefits programs or retirement program.
3. Regular Full-time Employees who work (or receive paid leave) for less than 80 hours per month due to medical leave or layoff will receive proportional accrual/pay for holiday, sick leave, vacation, and compensatory time. At such time that a Regular Full-time Employee works, or receives paid leave for less than 80 hours per month, health insurance benefits will be continued for a period of three months (beginning on the first of the month following the first month of reduced hour status). This section shall not apply to Employees on leave due to a work-related injury or illness.
4. Regular Full-time Employees who are on Pregnancy Leave and work (or receive accrued paid leave for) less than 80 hours per month will receive proportional accrual/pay for holiday, sick leave, vacation, and compensatory time for a period of four (4) months. At such time that such Employee works or receives paid leave for less than 80 hours per month, health insurance benefits will be continued for a period of three months (beginning on the first of the month following the first month of reduced hour status).
5. Regular Full-time Employees who are on unpaid leave of absence will receive no accrual/pay for holiday, sick leave, or vacation leave. Health insurance

benefits will be continued for a period of three months, beginning on the first of the month following the first month of unpaid leave status.

B. Insurance Benefits Committee

The District will form an Insurance Benefits Committee which includes representation by either the Shop Stewards or elected representatives, to discuss matters pertaining to the health insurance benefits program(s). Such discussions shall uphold the confidentiality of individual Employees, and shall be for the purpose of discussing plan document and/or claims administration issues in general. The process for addressing individual concerns regarding claims processing is contained in the Dental Insurance Plan Document.

C. Health and Welfare Benefits Programs

1. Health Insurance Plan

First and foremost, the District and the Union desire Employees and their families to maintain good health by encouraging personal responsibility, while utilizing insurance resources efficiently. In order to promote a wellness culture in the workplace, the health insurance plan will provide incentives to maintain the current level of benefits. Employees are encouraged to carefully read and refer to the Plan Document for the details of all the benefits listed in this section.

- a. Each Eligible Employee as defined in Section 32.A. above, their eligible dependents, or their Registered Domestic Partner as defined by California state laws, shall be provided with hospitalization, prescription drug, medical and dental insurance coverage.
- b. Effective January 1, 2013, Employees shall be covered by the ACWA-JPIA Prudent Buyer Classic Plan or the ACWA-JPIA Consumer Driven Health Plan for medical and prescription coverage, with the District fully funding the premium for the Employee and their dependent(s).
- c. If an employee elects to participate in the ACWA-JPIA Consumer Driven Health Plan, the District will contribute to a Health Savings Account (HSA) the following amounts, at the beginning of each calendar year: Single - \$1,300; Employee plus One - \$2,600; and Family - \$2,400. Such funds in the HSA will be considered Employee monies to be used for medical expenses on a tax-free basis.

2. Prescription Program

Every Employee is encouraged to utilize the prescription program in the most cost efficient manner. The prescription program will provide financial

incentives to utilize generic and mail order prescriptions whenever possible. Higher co-pays will be charged for brand name prescriptions and for not utilizing the mail order service for maintenance medications unless there is no generic available or a medically necessary waiver is obtained from the doctor.

3. Dental Insurance

Employees and their eligible dependents are encouraged to obtain their routine dental exams and cleanings twice per year, which are provided in accordance with the Dental Insurance Plan Document. Employees complying with the Preventive Dental Program outlined in the Plan Document will maintain the current level of benefits payable for Major Dental care. If the Preventive Dental Program is not followed, Major dental care will be paid at a lower co-insurance percentage.

The District will contract out to a third party matters pertaining to dental claim determinations, including the filing of dental claims and review of dental claim denials, except that the District may be consulted on matters involving potential exceptions to Plan exclusions. Information pertaining to medical condition and treatment will not be disclosed to any District employee, except when agreed to by the Employee or necessary in conjunction with a determination of potential exceptions to Plan exclusions.

When requested by an Employee, the Human Resources Director will provide Claims Assistance for an Employee, upon written authorization for same. Such claims assistance may include verifying accuracy of claims processing, verification of amount(s) owed by Employee to provider, and clarification of benefits provided under the applicable Plan Document.

Except for the District's obligation to provide dental insurance coverage in a manner consistent with this section, matters pertaining to the dental insurance plan, including but not limited to eligibility determinations and the denial or processing of claims, are not subject to the grievance procedure under this Memorandum.

4. Vision Care

Vision care insurance coverage premiums will be fully paid by the District for eligible Employees, their eligible dependents, or their Registered Domestic Partner, and will provide eye examinations and lenses every twelve months and frames every twenty-four months with no deductible pursuant to plan terms.

5. Long-Term Disability Plan

The District will provide a Long-Term Disability Plan (LTD) to all eligible Employees as defined in Section 32.A. above.

6. Life Insurance

The District will provide a Life Insurance Plan with benefits of \$70,000 to all eligible Employees as defined in Section 32.A. above.

7. CalPERS Retirement Plan

- a. For Employees hired before January 1, 2013, the Union and the District agree to maintain participation in the California Public Employees' Retirement system (CalPERS) for the Miscellaneous Plan 2.7 Percent at Age Fifty-five (2.7% @ 55), Supplemental Formula, Zero Percent (0%) Prior Service, in the Risk Pool effective July 1, 2006, and that the District shall remit to CalPERS the entire required contribution for each eligible Employee.
 - i. The District shall pay the first ten percent (10%) of the required contribution. All required CalPERS contributions exceeding ten percent (10%) shall be split evenly between the District and the Employees so that the District pays one-half of the cost exceeding ten percent (10%) and the Employees pay the remaining one-half of the cost exceeding ten percent (10%) via payroll deduction (pre-tax), up to a maximum cap of 8% paid for by Employees.
 - ii. Should the CalPERS required contribution drop below ten percent (10%), Employees shall be paid a bonus of one-half of the percentage below ten percent (10%). Such bonus shall be paid at the first pay period following the end of the fiscal year. The District shall retain the other one-half of the percentage below ten percent (10%).
- b. Effective January 1, 2013, new Employees as of January 1, 2013 will be under the CalPERS plan allowed by AB 340 Public Employees' Pension Reform act. New members to CalPERS, as defined by law, will be at the 2% @ 62 formula and be subject to the new cost-sharing formula as defined by CalPERS. The District will comply with all laws pertaining to this new pension reform.
- c. The following Special Compensation Categories are paid by the District when employees are performing the related tasks:

1. CalPERS Special Compensation

STPUD Pay Description	Classic Eligible Y/N?	PEPRA Eligible Y/N?	CalPERS Category/Type
Premium Biosolids Bldg.	Y	Y	Special Assignment Pay – Hazard Premium
Premium Acting Supervisor	Y	Y	Special Assignment Pay – Lead Worker/Supervisor Premium
Premium Acting Lead	Y	Y	Special Assignment Pay – Lead Worker/Supervisor Premium
Backflow Pay	Y	Y	Premium Pay/Temporary Upgrade Pay
Compaction Testing Pay	Y	Y	Premium Pay/Temporary Upgrade Pay
Premium Out of Class	Y	N	Premium Pay/Temporary Upgrade Pay
Premium Weekend	Y	Y	Special Assignment Pay/Shift Differential
Premium Swing	Y	Y	Special Assignment Pay/Shift Differential
Premium Operator Pay	Y	Y	Statutory Items/FLSA
Uniform	Y	N	Statutory Items/Uniform Allowance

8. IRS 125 Flexible Benefits Program

District shall continue to provide the voluntary flexible benefits program in effect as of June 30, 1996. District will allow additional payroll deductions for a flexible benefits program and for other ancillary Employee-paid insurance programs. Costs for administration of all aspects of the flexible benefits program shall be equally shared by the Participants and the District.

Participants in the ACWA-JPIA Consumer Driven Health Plan, who receive the District's Health Savings Account contribution as defined above, are not eligible to participate in the IRS Section 125 Flexible Benefits Program for Medical Reimbursement. They may participate for Dependent Care expense reimbursement.

9. Deferred Compensation Plan

District shall continue to provide the voluntary Deferred Compensation program in effect as of the date of this Memorandum of Understanding. District will allow payroll deductions for such Deferred Compensation program, in accordance with applicable law. The Deferred Compensation Plan will allow participant loans from individual accounts, with a loan maturity date consistent with the deferred compensation plan provider's loan procedures. The current deferred compensation plan provider, for example, allows mortgage loans for a period not to exceed fifteen years.

10. Retirement Health Savings Plan

The Union and the District agree to form a joint committee to implement a Retirement Health Savings Plan for all Employees. As of June 21, 2012, the District will contribute \$100 per month per employee toward the above Retirement Health Savings Plan. Effective June 29, 2017 and for each subsequent contract year thereafter, the District's contribution to the Retirement Health Savings Plan (RHSP) will increase by the percentage increase the preceding January to the ACWA-JPIA Prudent Buyer Classic Plan premium increase.

SECTION 33. HOLIDAYS

A. All Regular Employees of the District shall be entitled to the following holidays with pay:

1. January 1, Martin Luther King's Birthday, 3rd Monday of February, Memorial Day, July 4, Labor Day, Veteran's Day, Thanksgiving Day, Friday following Thanksgiving, December 24, December 25.
2. Eight hours of Floating Holiday to be used on a date selected by the Employee and approved by his/her supervisor. Holiday shall be accrued on the first payday of the contract year.

B. Observed Holidays

All Employees shall observe the holiday on the federal or state-recognized holiday, with the exception of Employees regularly assigned to work on Saturdays or Sundays. Employees regularly assigned to work on Saturdays or Sundays shall observe the holiday on the actual date (Saturday or Sunday). Work time on holidays worked may not be converted to compensatory time, if it is a regularly scheduled workday.

C. Pay Rate Schedule

All Employees who work on the observed holiday shall receive the appropriate rate, as indicated below, for all hours worked that day.

Time and ½ Hourly Rate

Martin Luther King Birthday
3rd Monday in February
Veterans Day
Friday after Thanksgiving
December 24

Hourly Rate times 2

January 1
Memorial Day
July 4
Labor Day
Thanksgiving Day
December 25

D. Holiday Time Off and Holiday Pay

Holiday Time Off and Holiday Pay shall occur according to the following three scenarios:

1. Holiday falls on Regular Work Day – Employee Takes Day Off.
 - a. Employee receives 8 hours of Holiday Pay at straight time.
2. Holiday falls on Regular Work Day – Employee Works.
 - a. Employee receives appropriate pay according to the above pay rate schedule for hours actually worked on the holiday.
 - b. Employee also receives eight (8) hours of Holiday Pay at Straight Time, or;
 - c. Employee accrues eight (8) hours Holiday Pay Straight, to take off later.
3. Holiday falls on Regular Day Off.
 - a. Employee may take either preceding or following work day off and receive 8 hours Holiday Pay Straight for day taken off, or;
 - b. Employee receives eight (8) hours Holiday Pay, or;
 - c. Employee accrues 8 hours to take off before the end of the contract year.

E. Holiday Scheduling & Pay

1. Scheduling Employees to work holidays, or to take Holiday Time Off, is the sole discretion of the District. Accrued Holiday Time Off shall be taken with prior supervisory approval.
2. All accrued days, as of the last pay period of the contract year shall be paid, and no accrued days shall be carried past the end of the contract year.

SECTION 34. VACATION LEAVE WITH PAY

- A. Vacation with pay shall be earned by regular Employees based on the equivalent of full-time service from their regular employment date of appointment.
1. Vacation credit shall accrue to the Employee on the first of the pay period following the pay period in which it is earned.

2. All Employees who have less than three (3) years of service shall accrue vacation on the basis of 6-2/3 hours for each full month of service (80 hours per year).
 3. All Employees who have more than three (3) but less than ten (10) years of service shall accrue vacation on the basis of ten (10) hours for each full month of service (120 hours per year).
 4. All Employees who have more than ten (10) but less than fifteen (15) years of service shall accrue vacation on the basis of 13-1/3 hours for each full month of service (160 hours per year).
 5. All Employees who have more than fifteen (15) years of service but less than twenty (20) years of service, shall accrue vacation on the basis of fourteen (14) hours for each full month of service (168 hours per year).
 6. All Employees who have more than twenty (20) years of service shall accrue vacation on the basis of 14-2/3 hours for each full month of service (176 hours per year).
 7. Vacation may be accumulated to a maximum of two (2) years' service on any accrual date. Thereafter, no further vacation will accrue until the Employee uses a portion of accrued vacation. Subject to the discretion of the General Manager, vacation may be bought back on a one-time per year basis, to be paid on the first pay period in December, in an amount not to exceed 50% of annual accrual.
 8. Vacation shall be scheduled a minimum of two (2) weeks and a maximum of twelve (12) months in advance. Vacations with less than two weeks' notice may be granted by department Manager or Supervisor.
- B. All Employees who have more than six (6) months of service shall be eligible to use accrued vacation.
1. The General Manager shall determine the period when accrued vacation time may be taken by each Employee, consistent with the requirements of the department.
 2. Employees who separate or are terminated from District service or who take military leave in excess of 180 days without providing notice of intent to return to work after the military leave, shall be paid the monetary value of their accrued vacation.
- C. During any pay period in which an employee does not work full time or does not receive a full paycheck (by using sick, vacation, or compensatory accrued hours) vacation leave accrual will be applied in accordance with Section 32. This shall

not apply to 10- or 12-hour Employees who elect to receive their 8 hours holiday pay and not use additional vacation, sick, or compensatory pay to equal a full check for a holiday. Employees on leave due to a work-related injury who utilize accrued sick, vacation, or compensatory time, to receive the equivalent of a full paycheck (accrued leave plus workers' compensation payments) shall accrue vacation hours at full accrual rate. If such accrued hours are not used or are not available, no further vacation hours will accrue until the Employee returns to work.

- D. Employees placed on unpaid suspension shall not accrue vacation leave during the period of their suspension.

SECTION 35. SICK LEAVE WITH PAY

Sick leave is a benefit to be used in the event an Employee or their family member, as defined elsewhere in this Memorandum, is unable to report for duty because of illness or injury without the loss of income. Sick leave is intended to be used for medical purposes, except as outlined elsewhere in this Memorandum, and should not be misconstrued as vacation.

Employees are encouraged to use sick leave when they are ill in order to protect the health of others in the workplace and to speed their own recovery.

- A. Sick leave with pay shall be earned by regular Employees based on the equivalent of full-time service from the date of appointment.
 - 1. Sick leave will accrue to the Employee on the first day of the pay period following that in which it is earned.
 - 2. Sick leave shall accrue on the basis of eight (8) hours per full month of service and may be accumulated without limit.
 - 3. Employees placed on unpaid suspension shall not accrue sick leave during the period of their suspension.
 - 4. During any pay period in which an Employee does not work full time or does not receive a full check (by using accrued paid leave hours) sick leave accrual will be applied in accordance with Section 31.
 - a. This shall not apply to 9/80, 10- or 12-hour Employees who elect to receive their 8 hours holiday or Safe Incentive pay and not use additional accrued leave pay to equal a full check for a holiday. Employees on leave due to a work-related injury who utilize accrued sick, vacation, or compensatory time to receive the equivalent of a full paycheck (accrued leave plus workers' compensation payments) shall

accrue sick hours at full accrual rate. If such accrued hours are not used or are not available, no further sick hours will accrue until the Employee returns to work.

5. During any period of disability for which payment is provided under State Disability Insurance, or Paid Family Leave Benefits, the Employee may elect to coordinate SDI/PFL benefits (see coordination language below) or to receive the sick leave with pay in an amount equal to the difference between the disability or paid family leave benefit and full pay. See examples below. SDI Coordination consists of combining SDI benefits and District pay using available leave accruals. Employees eligible for SDI benefits shall use their available sick leave accrual when supplementing SDI benefits up to 100% of District regular gross wages to at least cover taxable benefits. After Employee has used all available sick leave accrual, other available accrual types may be used.

The District will utilize the Employee's SDI benefit payment advice as the basis for coordination of gross wages. Should any combined payment of District gross wages and SDI benefit exceed Employee's regular gross wages (overpayment), Employee will be required to remit payment to the District to buy back leave hours equal to the overpayment (see buy back provision below).

Examples:

1. Employee uses minimal hours to cover deductions that results in less than 40 hours per pay period. After audit of combined wage/benefit payments to ensure gross wages have not been exceeded, Employee retains benefit amount for SDI. Note: In this case, sick and vacation accruals, and holiday pay or holiday accrual will be pro-rated per Section 32.A.3.
2. Employee uses 40 hours per pay period. After audit of combined wage/benefit payments, employee is required to remit payment to the District for any amount over 100% of gross wages and sick leave as well as vacation leave (if desired), will be credited proportionately.
3. Employee uses 80 hours per pay period. Since this scenario results in combined payment over 100% of gross wages, Employee remits the amount of SDI/PFL benefit to the District and sick leave (as well as vacation leave if desired) will be credited proportionately.

Buy back of leave hours may be calculated proportionately between sick and vacation accrued leave used during the period of disability. Proportion shall be calculated using sick and vacation leave balances on the first day of disability. An Employee may elect to buy back only Sick leave but may not elect to buy back solely vacation leave. In no instances will vacation leave be credited in an amount exceeding the total vacation paid throughout the period of disability.

- B. Regular Employees may use sick leave for the purpose specified in this section:

1. Absence from duty when quarantined because of exposure to a contagious disease or when incapacitated from performing their duties because of personal illness, injury or dental work.
2. Absence from duty for examination or treatment by a dentist, medical doctor, or physician under circumstances not involving quarantine or incapacity, provided, however, that such absences shall be scheduled at the discretion of the General Manager or his/her designee.

Absence from duty for attendance upon their spouse, or Registered Domestic Partner, or for attendance on a close relative because of illness or injury which incapacitates such family member and definitely requires personal care. Such absence shall be limited by the appointing authority to the time reasonably required to make other arrangements for such care. A close relative includes children, parents, grandparents, grandchildren, sisters and brothers, aunts and uncles, natural, adopted, and by marriage.

3. Absence from duty to transport their spouse or to transport a child or close relative, as defined above, residing with the Employee to and from a local hospital for medical treatment or operation, including childbirth.
4. Absence from duty to be in attendance, at any location, during serious medical treatment or operation, including childbirth, performed upon their spouse or performed upon a child or close relative, as defined above, residing with the Employee.
5. Upon termination, a regular Employee hired before January 1, 2013 shall receive a cash payment equal to ten percent (10%) of accrued unused sick leave for each full year of employment, up to a maximum of 1040 hours, times their regular hourly rate. Employees hired on or after January 1, 2013 shall not receive a cash payment of accrued unused sick leave upon termination.
6. Employees who have 1040 hours of accrued sick leave may accept payment for 100% of the excess over 1040 hours. They may elect to continue the accrual of sick leave beyond the 1040 hours if they do not want payment for the excess over 1040 hours. When payment is chosen, it will be paid on the first payday in December of each year. This provision shall also apply to Employees hired on or after January 1, 2013.
7. Upon death of an Employee, the beneficiary shall be paid accumulated sick leave to a maximum of 1,040 hours. This shall not apply to beneficiaries of Employees hired on or after January 1, 2013.
8. The District's PEPR CalPERS contract includes up to six (6) months of sick leave conversion to service credit upon termination. To be eligible for this contract feature the member's retirement date must be within 120 days from

the date of separation from the District. Vesting of 10% per full year of employment will be applied to the sick leave balance as of the termination date. The vested sick leave balance is the amount that will be reported to CalPERS.

- C. It shall be the duty of the General Manager to enforce the provisions of this section and to record each absence for sick leave, including a clear statement of cause and such supporting evidence as is used in determining the necessity of such leave.
- D. Employees are required to notify their immediate supervisor or department head at least one (1) hour prior to the time set for performing their daily duties, or as soon as possible under extenuating circumstances. Failure to follow this directive could result in disciplinary action.
- E. If absence from duty due to sickness extends beyond the period of three (3) consecutive working days, the supervisor or department head may require the Employee to provide a doctor's note certifying their illness or disability and confirming their need for sick leave.
- F. The General Manager or his designee may require an Employee to provide a doctor's note certifying illness or disability at any time they are aware of information or have reason to believe that an Employee is abusing the sick leave privilege.
- G. The General Manager or his/her designee may require an Employee to provide a fit for duty statement by a medical doctor following any absence for serious illness, injury, or exposure to contagious disease, whether or not sick leave was used.
- H. When sick leave balances are exhausted, Employees must use their available leave balances, except when the Employee is on Family Medical Leave, Workers' Compensation, or is coordinating their leave with State Disability Insurance or Paid Family Leave benefits.
- I. An Employee intending to use sick leave for medical appointments shall notify his/her immediate supervisor in advance of the appointment. Sick leave use for this purpose must be approved in advance by the Employee's immediate supervisor.
- J. Sick Leave Reporting Requirement

If a supervisor/manager has reason to believe that an Employee is not using their sick leave appropriately, e.g., unusual pattern of sick leave use, excessive use of incidental sick leave, etc., the employer may place the Employee on a sick leave reporting requirement. Employees placed on Sick Leave Reporting will be

required to bring a doctor's note for all absences until they are released from this requirement. The steps for this process shall be as follows:

1. The supervisor/manager will meet with the Employee and provide a list of problem absences. Absences subject to FMLA or workplace injury (workers' compensation) shall not be included in the list of problem absences.
2. The supervisor/manager will provide the Employee with written documentation that specifically outlines the employer's concerns and expectations. The Employee will be notified in writing of the timelines and the goals they are expected to achieve.
3. The Employee and the supervisor/manager will meet at least quarterly to discuss this issue until the Employee is removed from the sick leave reporting requirement.
4. Nothing herein shall preclude the District from taking disciplinary action for abuse of sick leave in accordance with existing MOU provisions in addition to following the procedures outlined above.
5. To ensure District-wide consistency in application, the General Manager or his/her designee will oversee the sick leave reporting requirement process.

SECTION 36. INDUSTRIAL ACCIDENT LEAVE

- A. Employees who are injured in the performance of assigned duties shall receive such medical examination, medical care, compensation and other benefits as awarded under Workers' Compensation laws of California. Employees who suffer an injury resulting from employment duties shall use the general procedures and receive benefits as set forth below. Complete injury reporting procedures are available in the District's Injury and Illness Prevention Program.
 1. It shall be the mandatory duty of Employees to report to their supervisor any possible injury on the date of occurrence or as soon thereafter as their condition permits; failure to do so shall be considered cause for disciplinary action.
 2. Employee shall immediately notify their supervisor and shall immediately receive medical examination and/or emergency treatment as deemed appropriate by the General Manager.
 3. The Employee shall not be considered absent from duty during the time required for medical examination and/or emergency treatment; however, overtime pay shall not be paid for treatment extending beyond normal shift.

4. If any Employee is injured on the job, the supervisor shall immediately notify the General Manager and/or the Human Resources Director and shall promptly provide such information as may be requested.
- B. During any period of disability for which payment is provided under Workers' Compensation insurance, the Employee may elect to receive sick leave with pay in an amount equal to the difference between any compensation benefits and full pay or the employee may elect to endorse the Workers' Compensation insurance benefits over to the District and receive a full paycheck from the District.

SECTION 37. LEAVES OF ABSENCE

- A. A regular Employee may be authorized a leave of absence with or without pay. Such a leave shall entitle the Employee to be absent from duty for a specified period of time and for a specified purpose, with the right to return as provided in the approved leave.
1. No additional sick or vacation accruals shall occur during an unpaid leave of absence.
- B. A request for a leave of absence with or without pay shall be made in writing. Such leave shall be subject to approval of the General Manager, and health insurance benefits shall be applied in accordance with the provisions of Section 32, Employee Benefits. Except for absences covered by the FMLA/CFRA Policy or California's Pregnancy Disability Leave law, where use of accrued leave is optional, no Employee shall be granted a leave of absence without pay until he or she has used all accrued sick leave, vacation leave or compensatory time off. A leave may be granted for a period not to exceed 90 days for the following purposes:
1. Illness beyond that covered by FMLA or Pregnancy Disability Leave. Medical provider certification form documentation may be required.
 2. Education or training which would benefit the District.
 3. Other personal reasons, approved by the General Manager, when, in his/her judgment, service or cost will not be adversely affected.
- C. Leave of absence with or without pay shall be granted to an Employee who is temporarily disabled due to pregnancy. With medical provider certification form documentation, the leave shall cover a reasonable time before, during, and after childbirth, based on her physical disability related to the pregnancy and/or childbirth.

- D. An Employee may be granted an extension of a leave of absence with or without pay for not more than 90 days. Such an extension shall be based on unusual and special circumstances and shall be subject to approval of the General Manager.
- E. An Employee may be granted a leave of absence without pay for a period not exceeding 30 calendar days upon the discretion of the General Manager. Such a short-term leave may be granted for any reason.
- F. A leave of absence may be revoked by the General Manager upon evidence that the cause for granting a leave was misrepresented or has ceased to exist.
- G. A probationary Employee may be granted a leave of absence without pay by the General Manager for a period not to exceed 90 days to cover an illness, injury, or other disability only. The probationary period shall be extended by the amount of such leave granted.
- H. Full time or part time employment by another employer during a leave of absence (including FMLA/CFRA or Pregnancy Disability Leave) is prohibited and shall result in termination.

SECTION 38. BEREAVEMENT LEAVE

- A. The General Manager may authorize bereavement leave with pay for a regular Employee when needed due to the death of his/her parent, spouse, natural or adopted child, step-child, grandparent, grandchild, brother, sister, mother-in-law, father-in-law, or the death of any child or close relative who resided with the Employee at the time of death.
- B. Such absence for bereavement shall be limited to time which is definitely required and shall not exceed 40 hours for any one death unless the death is that of a spouse or child, in which case the Employee may take an additional 40 hours of accrued time off.
- C. For a relative not listed in paragraph A above, an Employee, with supervisor and program manager approval, may take the necessary time off needed to attend the relative's funeral, up to a maximum of 40 hours. The Employee may use any accrued time off as pay for such time off.
- D. The General Manager or his/her designee may require documentation to approve such leave.

SECTION 39. JURY DUTY LEAVE

- A. Regular Employees who have been summoned or subsequently selected to serve on a jury in a court of law shall receive their regular rate of compensation for normal work hours and days or shifts during such absences. Should jury duty fall on a regularly scheduled day off, Employee will not be compensated by District for that time.
 - 1. The check received from jury duty on a scheduled work day must be endorsed and forwarded to the District which will deduct the mileage compensation and return that amount.
- B. Employees on jury duty are required to:
 - 1. Normally report to his/her work location when there are at least two (2) hours available for actual work time between his/her scheduled starting time and the time he/she is required to report to the court (exceptions require manager approval);
 - 2. Normally report back to his/her work location if he/she is released early and there are at least two (2) hours available for actual work time (not including travel time) (exceptions require manager approval);
 - 3. Obtain attendance slips from the court certifying actual dates of service. These slips are to be attached to the appropriate time sheets for verification of jury duty leave.
- C. Jury duty leave hours taken are not included as hours worked for the purpose of computing overtime.
- D. It is the Employee's obligation to notify his/her supervisor, in writing, as soon as he/she has been called for jury duty and the date for reporting. No Employee shall work additional hours over his/her regularly scheduled hours on a day on which he/she has jury service unless specifically authorized by the department manager.
 - 1. Night shift employees in the Operations Department shall arrange scheduling with the department manager in order to (1) ensure adequate rest time between jury duty and regular work time and (2) ensure adequate staffing in the department.

SECTION 40. MILITARY ABSENCE

Employees shall be granted military leave pursuant to the federal Uniformed Services Employment and Reemployment Rights Act and the California Military and Veterans Code. Such period of military leave shall include the ordered or expected period of active duty and reasonable travel time connected therewith. An Employee who does

not return within the period of approved military leave shall not be granted any benefits and privileges which are required by state or federal law.

SECTION 41. ABSENCE WITHOUT LEAVE

Absence of an Employee during regular working hours for a portion of a day or more that is not authorized by a specific leave of absence under the provisions of this Memorandum shall be an absence without leave. Any such absence shall be without pay and may be the basis for disciplinary action. Any absence without leave for three consecutive days shall constitute cause for discharge. Such discharge may be canceled if investigation by the General Manager shows that such cancellation is warranted.

SECTION 42. GRIEVANCE AND ARBITRATION PROCEDURE

This grievance and arbitration procedure shall be used to process and resolve grievances arising under this Memorandum.

A. Definitions

1. A grievance is a complaint of one or a group of Employees or a dispute between the District and the Union, involving the interpretation, application, or enforcement of the express terms of the Memorandum.
2. As used in the procedure, the term "Program Manager" means the individual who directs the program in which an employee is assigned.
3. As used in the procedure, the term "working days" shall mean days on which the District office is open.

B. Time Limits

Each party involved in a grievance shall act quickly so that the grievance may be resolved promptly. Every effort should be made to complete action within the time limits contained in the grievance procedure but, with the written consent of all parties, the time limitation for any step may be extended.

C. Employee Rights

The Employee retains all rights conferred by Government Code section 3500, et.seq.

D. Informal Discussion

1. The grievance initially shall be discussed with the Program Manager. The Employee may be represented by the Union. Within two (2) working days, the Program Manager shall give a decision or response.
2. If an informal grievance is not resolved to the satisfaction of the grievant, or if there is reason to bypass the informal step, a formal grievance may be initiated. A formal grievance may be initiated no later than:
 - a. Five (5) working days after the event or circumstances occasioning the grievance; or
 - b. Within three (3) work days of the decision rendered in the informal grievance procedure, whichever is later.
3. However, if the informal grievance procedure is not initiated within the period specified in subsection (a) above, the period in which to bring the grievance shall not be extended by subsection (b) above.

E. Formal Grievance

1. A formal grievance shall be initiated in writing on a form prescribed by mutual agreement of the District and the Union and shall be filed with the Program Manager as the first level of appeal. The Employee may be represented by the Union. A copy of the Grievance form is attached hereto as Exhibit C.
2. Within five (5) work days after the initiation of the formal grievance, the Program Manager at the first level of appeal shall investigate the grievance and give a decision in writing to the grievant.

F. Appeal of Formal Grievance

1. If the grievant(s) are not satisfied with the decision rendered, they may appeal the decision in writing within five (5) work days to the General Manager. The Employee may be represented by the Union or a designated representative.
2. The General Manager shall respond in writing within ten (10) work days to the grievant. If the General Manager determines that it is desirable, he/she shall hold conferences or otherwise investigate the matter.

G. Binding Arbitration

If the General Manager fails to respond in writing as provided, or if the response is not satisfactory to the grievant, the grievant shall have the right to refer the matter to binding arbitration. Such referral shall be made by written demand submitted to the General Manager within ten (10) work days of receipt of his/her decision.

H. Selection of Arbitrator

1. An impartial arbitrator shall be selected jointly by the parties within ten (10) work days of receipt of the written demand.
2. In the event the parties are unable to agree within the time stated, the arbitrator shall be selected by the American Arbitration Association.

I. Decision

1. The decision of the arbitrator shall be final and binding.
2. The arbitrator shall have no authority to add to, delete or alter any provisions of this Memorandum, but shall limit their decision to the application and interpretation of its provisions.

J. Costs

The fees and expenses of the arbitrator and the court reporter, if required by the arbitrator or requested by a party, shall be shared equally by the parties.

K. Witnesses

The District agrees that Employees shall not suffer loss of compensation for time spent as a witness at arbitration hearing held pursuant to this Memorandum. The Union agrees that the number of witnesses requested to attend and their scheduling shall be reasonable.

SECTION 43. MANAGEMENT RIGHTS

Except as otherwise specifically provided in this Memorandum of Understanding, the District has the sole and exclusive right to exercise all authority, rights or functions of management. It is agreed that all rights, powers or authority vested in the District, except those specifically abridged, delegated, deleted or modified by the express terms of this Memorandum of Understanding are retained by the District. The District expressly retains the complete and exclusive authority, right and power to manage its operations and to direct its employees except as the terms of this Memorandum of Understanding specifically limit such authority, rights, and powers. These retained authorities, rights, and powers include, but are not limited to, the right to hire, classify, promote, designate, discipline,

evaluate, review, and discharge employees, schedule work as needed, determine levels of staffing, maintain order and efficiency, to supervise and direct Employees in the performance of their duties, to set standards to ensure proper and efficient use of the work force and equipment, to determine qualifications and abilities, and to establish and evaluate the merits, necessity, and/or organization of any service or activity currently offered or offered at any time hereafter by the District.

SECTION 44. ENTIRE AGREEMENT

This Memorandum of Understanding constitutes the entire agreement between the parties and concludes meeting and conferring on any subject, except as provided herein, or as otherwise mutually agreed upon, whether included in this Memorandum of Understanding or not. It is agreed that the terms and conditions of the Memorandum of Understanding itself shall constitute the whole agreement between the parties thereto, and that the terms and conditions of this Memorandum of Understanding shall supersede all proposals, conversations, or oral or written agreements constituting any portion of the meet and confer process or any other discussion leading up to the Memorandum of Understanding. The parties agree that no agreement was reached on other matters discussed and that the District is not obligated to make any changes or take any action regarding them. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto and no oral understanding or agreement not incorporated herein shall be binding on the parties hereto.

SECTION 45. SEPARABILITY OF SECTIONS

If any section subsection, paragraph, sentence, clause or phrase of this Memorandum shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of this Memorandum, it being hereby expressly provided that this Memorandum and each section, subsection, paragraph, sentence, clause, or phrase hereof would have been adopted irrespective of the fact that any one or more sections, subsections, paragraphs, sentences, clauses, or phrases shall be declared invalid or unconstitutional.

SECTION 46. TERM OF AGREEMENT

The parties agree that this Agreement shall stay in full force and effect through June 23, 2021.

SECTION 47. NO STRIKE AGREEMENT

During the term of this Agreement, it is agreed that there shall be no strike by the Employees nor lockout by the employer.

Signature Page Follows

DATED: _____

SOUTH TAHOE PUBLIC UTILITY DISTRICT

Randy Vogelgesang, President, Board of Directors Richard H. Solbrig, General
Manager/Engineer

Paul Hughes, District Representative Nancy Hussmann, District Representative

ATTEST: _____
Melonie Guttry, Clerk of the Board

INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY LOCAL 39

Tony DeMarco, President Jerry Kalmar, Business Manager

Charlie Solt, District Representative Steve Crouch, Director of Public Employees

Cliff Bartlett, Shop Steward Brian Chernago, Shop Steward

Richard Jones IV, Shop Steward Wanda Stanley, Shop Steward

Aaron Buckman, Shop Steward Doug Van Gorden, Shop Steward