

MEMORANDUM OF UNDERSTANDING

June 29, 2006 – June 23, 2010

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.

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.

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.

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 Understanding, 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 2 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 pay 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 checkoff 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 Manger.
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 or 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 or 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.

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.

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	Assistant Manager/Engineer
Executive Services Manager	Engineering Department Manager
District Information Officer	Principal Engineer
Human Resources Director	Senior Engineer
Chief Financial Officer	Associate Engineer
Accounting Manager	Manager of Plant Operations
Information Systems Manager	Manager of Land Application
Purchasing Agent	Manager of Field Operations
Manager of Customer Service	Hydrogeologist
	Laboratory Director

- C. **Full-Time Employee** – Employees who regularly work at least an average of 40 hours per week.
- D. **Part-Time Employee** – 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 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 employees 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 & 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.

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.

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 with internal candidates.

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.

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, barring any unforeseen circumstances. 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.

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.

11. **FITNESS FOR DUTY EXAMS**

- A. Any employee may be required to submit to a medical, ~~physical~~, 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 or 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 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.

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 this requirement. 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.

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 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.

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.

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:
- B. 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. The following sections from the July 2002 Memorandum of Understanding will remain in effect until July 1, 2007, at which time a new Side Letter of Agreement, based on the completed Salary Survey is expected to replace those sections. The

District shall otherwise maintain past practices, written and unwritten, until they are replaced.

1. 2002 MOU Section 15.B.2 states: Where certification is not required by the State or the job description, the step increase will not exceed the “G” step. Present employees shall not be required to obtain a certificate to reach the “G” step. Employees in the following classifications shall receive a five percent (5%) salary increase when they receive the applicable certification. The five percent (5%) shall not increase the classification beyond the “G” step. The increase shall be effective the pay period following receipt by the District of the Certification.

Lab Tech	CWEA Lab Technologist Grade
Underground Repair	CWEA Collection Systems Maintenance
Maintenance Mechanic	Maintenance Technologist Certificate
Electrician	Maintenance Technologist Certificate.

2. The 2002 MOU Section 15.C states:

Specific Certification Provisions

1. In no event will the salary adjustment(s) pertaining to certification increases exceed the “H” step salary range.
2. Certification increase shall be effective the pay period following receipt by the District of the certification.
3. Wastewater Operator Certification
 - a. 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
 - b. Upon receipt of California State Water Resources Control Board Grade III Wastewater Treatment Plant Operator Certification, Plant Operator I shall be classified and paid the wage rate of Operator II at the salary step which provides at least a five percent (5%) increase. As of the date of this Memorandum of Understanding existing Employees in the Operators-Special Classification, who have not obtained their Grade III certification, shall have their salaries redlined until the Operator I, Step H salary scale reaches such employees current pay rate. At that point, they shall become classified as Operator I.
4. Pump Station Operator Certification
 - a. Upon receipt of California Dept of Health Services Grade 2 Water Treatment Operator Certification, Pump Station Operator I shall be classified and paid the wage rate of Pump Station Operator II.

- b. Pump Station Operator II shall receive a five percent (5%) salary adjustment upon receipt of California Dept. of Health Services Grade 3 Water Treatment Operator Certification.
- c. Pump Station Operators are eligible for a single five percent (5%) increase upon obtaining either CWEA Collection Systems Maintenance Certificate or California Dept. of Health Services Water Treatment Operator Certificate, but shall not receive both, in accordance with Section 14.A or B above.

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.

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. Probationary employees shall receive a performance evaluation prior to the conclusion of the 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.

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 respond 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.

19. **DISCIPLINARY PROCEDURE**

A. Notice of Proposed Discipline

1. 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

1. 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

1. 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

1. 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

1. The employee may appeal any disciplinary actions of demotion, dismissal, or suspension, by filing a Notice of Appeal with the General Manager within five days of Notice of Disciplinary Action.

F. Selection of Arbitrator

1. 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.
 - a. 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.
 - b. 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
3. application and interpretation of its provisions.

H. Costs

1. 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

1. 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 ~~or without~~ 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.

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.

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 forth (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 schedule) 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. Monday through 3:59 a.m. Monday
10-hour employees	12:01 a.m. Friday through 12 midnight Thursday
8-hour employees	12:00 a.m. Monday through 12 midnight Sunday

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.

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.

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 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 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.

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.

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.

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 “H” 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 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.E.6 of this Memorandum.
- K. Any change to job descriptions for a classification shall be subject to the meet and confer process.

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. The employee must have earned the equivalent of at least six months of full-time eligible service since their merit increase date for increase from Step A, C, D, E, and F; twelve months service from Step B and twelve (12) months service from Step G.
 - a. Any employee now eligible under this change for promotion to H step due to years of service shall receive the promotion retroactive to the effective date of this contract. Any employee now eligible for promotion to H Step due to satisfying either certification requirements or other pay incentive goals shall receive the promotion effective/retroactive to their appropriate certification date.
 - 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.
 2. An employee in Step H shall not have a merit increase date, and service in Step H shall not be considered as eligible service for future increases.
- C. Extra help employment shall not be considered eligible service for merit increases.
- D. After eight (8) years of continuous employment with the District or five (5) years at the "G" step range, whichever occurs first, an employee shall receive a five percent (5%) increase. The longevity increase shall not cause wages to exceed the "H" step range.

27. **GENERAL SALARY ADJUSTMENTS**

A. **Annual Adjustments**

Effective June 29, 2006, all classifications covered by this Memorandum of Understanding shall have their salaries adjusted by a 4% increase. Except as modified by the salary survey, effective the pay periods beginning June 28, 2007, June 26, 2008, and June 25, 2009, all classifications covered by this Memorandum of Understanding shall receive a cost of living adjustment of a minimum of 2% to a maximum of 7% based upon the actual CPIU-Small West Coast Cities for the month of April each year.

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. **Salary Survey**

The Union and the District have agreed to conduct a Salary Survey that will be implemented June 28, 2007. The District and the Union will work jointly to select a consultant and determine the parameters of the Salary Survey.

The results of the salary survey will be implemented as follows:

1. If the salary for a job classification is found to be under market, the shortfall shall be made up over the next three years of the MOU. The dates for these payments will be the first day of the first pay period of each fiscal year beginning in 2007 and ending in 2009.
2. The shortfall will be paid as follows (see chart below for specifics):
 - a. If the shortfall is 2% or less, then all of the shortfall will be paid in the first year
 - b. If the shortfall is 2% - 4%, then 2% will be paid in year one and the remainder will be paid in year two.
 - c. If the shortfall is 4% - 6%, then 2% will be paid in year one, 2% will be paid in year 2 and the remainder will be paid in year 3.
 - d. If the shortfall is 6% or more, it will be paid in three equal installments.

Total %	2007	2008	2009
1	1		
2	2		
3	2	1	
4	2	2	
5	2	2	1
6	2	2	2
7	2.3333	2.3333	2.3333
8	2.6666	2.6666	2.6666
9	3	3	3
10	3.3333	3.3333	3.3333
11	3.6666	3.6666	3.6666
12	4	4	4
13	4.3333	4.3333	4.3333
15	5	5	5
16	5.3333	5.3333	5.3333
17	5.6666	5.6666	5.6666
18	6	6	6
19	6.3333	6.3333	6.3333
20	6.6666	6.6666	6.6666

3. If the salary for a job classification is found to be over market, the salary of the employee will be Y-rated. In this case, this means that the employee's current salary will be frozen until the market salary for the job classification catches up with the current salary for the position, except as listed below.
4. Annual COLA

- a. Full COLA will be provided each year to all positions that are not Y-rated.
 - b. For all positions that are Y-rated, employee shall receive 50% of the COLA until the market salary range for the job classification reaches the current salary for the position, or the end of the MOU, whichever comes first.
5. For purposes of the implementation of the Salary Survey, Section 27.D.2. shall not apply.
 6. The Union and the District agree to meet no later than January, 2010 to discuss updating the Salary Study, to be completed prior to the beginning of new contract negotiations.

D. 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.

E. 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.

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 shall be paid at a rate of seven and one-half percent (7½%) greater than their classification for time spent having the Acting Supervisor responsibility and being available to perform the duties.
- 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.

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, a copy of which is included with this

Memorandum of Understanding as Exhibit C. Therefore, in conjunction with the terms of the Agreement, employees who work 12-hour shifts in the Operations department, shall receive a 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. This premium is a combination of the following:

1. 6.05% premium pay received prior to 1985 when no overtime was paid for the extra eight hours in the third week of the rotation.
 2. 1.50% Solids system premium, derived by incorporating the average solids system premium and senior solids system premium.
 3. .82% premium pay (estimated cost of \$5960) understood to offset holiday pay practice losses.
- C. Employees assigned to the solids system shall be paid a three and one-half percent (3½ %) 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.

30. OVERTIME

- A. Overtime pay shall be one and one-half (1 ½) 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.
- B. Employees may elect to accumulate overtime hours at one and one-half (1 ½) 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.

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.
 - 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. After the ratification date of this Memorandum, 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.

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 program.
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).
4. 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 Health 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 in conjunction with the District's self-insured plan.
- b. The District will fully fund and maintain the same or greater level of health and welfare benefits provided under the self-insured plan as listed in the Plan Document dated 1/1/07 for the term of this Memorandum of Understanding.
- c. Health Insurance Wellness Program – Employees are encouraged to be proactive in seeking out medical testing and wellness information for the prevention and early diagnosis of potential illnesses. When employees and their eligible dependents follow the recommended Wellness Program Guidelines (as described in the Health Insurance Plan Document), annual deductibles, co-pays, and out-of-pocket limits will remain at the same level as when the self-insured plan was initially implemented. If the employee and/or their eligible dependents fail to participate in the recommended Wellness Program Guidelines, they will be subject to higher deductibles, co-pays and out-of-pocket maximums.
- d. 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.

- e. 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 Health Insurance Plan Document. Beginning in 2008, 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.
- f. The District will maintain the same Preferred Provider Organization (PPO) through Hometown Health Partners. However, as with all provider organizations, the District cannot guarantee that all health care providers participating in the self-insured plan provider organization at this time, will continue to participate in the self-insured plan provider organization in the future.
- g. The District will contract out to a third party matters pertaining to claim determinations, including the filing of claims and review of 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 connection with a determination of potential exceptions to Plan exclusions.
- h. 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(s).
- i. The District will provide an annual report to the Union representatives of the total amount paid on claims and the reserve amount in the self-funded plan.

j. Except for the District's obligation to provide health insurance coverage in a manner consistent with this section, matters pertaining to the health 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.

k. 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.

l.

2. 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

3. 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.

4. Cal-PERS Retirement Plan

A. The Union and the District agree to maintain participation in the California Public Employees' Retirement System (CalPERS) for the Miscellaneous Plan Two Percent at Age Fifty-five (2% @ 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.

B. Effective July 1, 2007 the District will move to the 2.7% at Age Fifty-five (2.7% @ 55) Miscellaneous Plan in the Risk Pool.

C. 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.

D. 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%).

E. The Union and the District agree that any employee hired on or before May 14, 2003, who is at least age fifty (50) when they terminate or retire from the District, has not vested in CalPERS, and requests an entire refund of their employee contribution from CalPERS, may elect to receive from the District, compensation (“Compensation in Lieu of Vesting”) for any forfeited CalPERS employer contribution funds. A requirement for receipt of such compensation shall be in accordance with District policy, specific to this type of disbursement. Payment by the District will be made within 30 (thirty) Work Days of receiving proof of the actual CalPERS refund and the amount of the CalPERS forfeiture. This section expires June 23, 2008.

F. Pension Plan: The District shall maintain the South Tahoe Public Utility District Pension Plan until the earlier of when all outstanding loans are repaid or June 30, 2008 (the Termination Date). No contributions will be made to the Pension Plan. On the Termination Date, or as soon as possible thereafter, the District will terminate and liquidate the South Tahoe Public Utility District Pension Plan. Liquidation of the plan will be consistent with the Internal Revenue Service codes and regulations such that participants will direct the distribution of their account balance and participants must repay outstanding loan(s) to avoid a deemed distribution. The South Tahoe Public Utility District’s Pension Plan will be continued in full force and the terms updated to comply with current law until its termination. Terms of the South Tahoe Public Utility District Pension Plan may be modified to improve the terms and conditions, but in no event shall be modified to reduce current benefit provisions. The South Tahoe Public Utility District Pension Plan document shall contain provisions that allow participant loans from individual accounts in the pension plan until the Termination Date. All future loans will have a maturity date of June 30, 2008 or earlier. During the freeze period, the District and the plan participants will share the administrative costs of the South Tahoe Public Utility District Pension Plan equally. The employees’ portion of the administrative costs of the Pension Plan shall be allocated pro rata to the accounts of Participants based upon the ratio that the value of each account bears to the value of all accounts.

5. 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.

6. 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. Great West, for example allows mortgage loans for a period not to exceed fifteen years.

The Union and the District agree to phase-out Hartford as a plan provider. The District now disallows new contributions to Hartford. Deferred Compensation balances with Hartford can remain with Hartford to avoid contingent deferred sales charges until such time as they are no longer subject to the charges. Once a participant's Deferred Compensation balances are not subject to contingent deferred sales charges, then they must be transferred to the District's deferred compensation plan provider (currently Great West) within 180 days. The District and the Union agree that in the future, the Deferred Compensation Plan shall be limited to one provider and that provider changes shall be under the authority of the District's Retirement Benefits Committee.

7. Retirement Health Savings Plan

The Union and the District agree to form a joint committee to design a voluntary pre-tax Retirement Health Savings Plan to offer to all employees and to implement by January 1, 2007.

33. HOLIDAYS

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

1. January 1, Lincoln'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. Three hours to be used on Good Friday or any other time selected by the employee and approved by his/her supervisor.

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).

C. Pay Rate Schedule

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

<u>Time and ½ Hourly Rate</u>	<u>Hourly Rate times 2</u>
Lincoln's Birthday	January 1
3 rd Monday in February	Memorial Day
Veterans Day	July 4
Friday after Thanksgiving	Labor Day
<u>December 24</u>	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.

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 twenty (20) 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 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-five (25) 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 six (6) 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 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.

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 sick, vacation or compensatory hours) sick leave accrual will be applied in accordance with Section 31.
 - a. 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 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 receive the sick leave with pay in an amount equal to the difference between the disability or paid family leave benefit and full pay, or the employee may elect to endorse the benefit check over to the District, in which case accrued sick leave will be debited proportionately and the employee will receive his/her regular paycheck from the District.

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 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.
6. Continuing 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.
7. Upon death of an employee, the beneficiary shall be paid accumulated sick leave to a maximum of 1,040 hours.

- 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.
 - a. During any period of disability for which payment is provided under State Disability Insurance or Paid Family Leave Benefits, the employee may elect to receive the sick leave with pay in an amount equal to the difference between the disability/paid family leave benefit and full pay, or the employee may elect to endorse the benefit check over to the District, in which case, accrued sick leave will be debited proportionately and the employee will receive his/her regular paycheck from the District.
- 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:

2. 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.
3. 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.
4. 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.
5. 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.
6. To ensure District-wide consistency in application, the General Manager or his/her designee will oversee the sick leave reporting requirement process.

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.

37. **LEAVES OF ABSENCE**

- A. A regular employee may be authorized a leave of absence 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 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. 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 accrued leave.
 2. Education or training which would benefit the District.
 3. Other personal reasons, approved by the Manager, when, in his/her judgment, service or cost will not be adversely affected.
- C. Leave of absence without pay shall be granted to an employee who is temporarily disabled due to pregnancy and who has exhausted all accrued vacation and sick leave and compensatory time off for which she is eligible. The leave shall cover a reasonable time before, during, and after childbirth, based on her physical disability.
- D. An unpaid family care leave may be granted in accordance with the provisions of the District's Family Care Leave Policy.

- E. An employee may be granted an extension of a leave of absence 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.
- F. 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.
- G. 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.
- H. 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.
- I. Full-time employment by another employer during a leave of absence is prohibited and shall result in termination.

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.

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.

40. **MILITARY ABSENCE**

- A. Specific calendar period of military leave shall be established for employees who are granted leave pursuant to the 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 the Military and Veterans Code.

- B. This section is intended to set forth those mandatory provisions of the military and Veterans Code which are most frequently applicable to District employees who enter the military service.

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.

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 "D".
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 grievants 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.

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.

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.

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.

46. **TERM OF AGREEMENT**

The parties agree that this Agreement shall stay in full force and effect through June 23, 2010.

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.

DATED: _____

SOUTH TAHOE PUBLIC UTILITY DISTRICT

Eric Schafer, President
Board of Directors

Richard H Solbrig, General Manager/Engineer

Ross Johnson, District Representative

Rhonda McFarlane, District Representative

Attest: _____
Kathleen A. Sharp, Clerk of Board

INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY LOCAL 39

Madison Bland, President

Jerry Kalmar, Business Manager

Joan Bryant, Dir of Public Employees

Nancy Matulich, Business Representative

Cliff Bartlett, Shop Steward

Mark Gray, Shop Steward

Wanda Stanley, Shop Steward

Phil Trella, Shop Steward

Doug Van Gorden, Shop Steward

Chris Stanley, Shop Steward

Flexible Work Schedule Agreement

Employee Name: _____

Dept: _____

Objective

To improve morale via a family friendly work environment and maintain or improve current productivity levels. Daily services will be maintained for external and internal customers at no added cost to the District.

Policy

This Alternative Work Schedule Agreement shall comply with all terms and provisions of the June, 29, 2006 Memorandum of Understanding, Section 21.J.

Workweek

For purposes of determining the workweek under the FLSA, employees who opt to work the 9/80 schedule will be subject to a workweek which begins at 1:00 p.m. on the scheduled eight-hour day worked and ends at 12:59 p.m. on the same day of the week during the following week. This agreement on the workweek supersedes the provisions of Section 21.H. of the MOU.

Agreement

I acknowledge and understand the provisions of the MOU Section 21.J and this Flexible Work Schedule Agreement. My new work schedule will be as follows:

9-Hour Work Days: _____

Hours of Work: _____

8-Hour Work Day (Alternating weeks): _____

Hours of Work on Alternating Work Day: _____

First Day Off: _____

Approved: _____
Program Manager

Date: _____

Employee: _____

Date: _____

Cc: Personnel File

- A. This Agreement Implementing Section 29.B of the Memorandum of Understanding (Agreement) is entered into by the South Tahoe Public Utility District (District) and Stationary Engineers Local 39 (Union) as of October _____, 1999.
- B. The District and Union have entered into a Memorandum of Understanding for the period July 3, 2002 (MOU).
- C. 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) effective September 17, 1999.
- D. Section 29.B of the MOU provides for premium pay to be paid to employees who work 12-hour shifts in the Operations department.
- E. This Agreement is the result of collective bargaining between representatives of the District and Union after the Union was certified as bona fide by the NLRB.

The District and Union therefore agree as follows:

1. Employees who work 12-hour shifts in the Operations department shall be subject to a 2080 plan under section 7(b) (2) of the FLSA (Plan), and shall receive the premium pay set forth in Section 30.B of the MOU.
2. Under this Plan, during the period of 52 consecutive weeks beginning November 23, 2000 and ending November 21, 2001, and beginning November 22, 2001 and ending November 20, 2002, employees who work 12-hour shifts in the Operations department:
 - a. Upon the beginning of each 52 consecutive week period set forth above, each employee who continues to work 12-hour shifts in the Operations department will be guaranteed employment for the respective 52 consecutive week periods designated above, subject to the provisions of Sections 17 and 18 of the MOU.
 - b. Will no work more than 2,240 hours in any period of 52 consecutive weeks set forth above.
 - c. Will be guaranteed 2,080 hours of employment during each such 52 consecutive week period, for which he or she shall receive compensation for all hours guaranteed at rates applicable under the MOU for the work performed.
3. For all hours worked in excess of 2,080 hours in any period of 52 consecutive weeks set forth above (up to and including 2,240 hours) employees subject

to the Plan will be paid at the overtime rate (time and one-half the regular rate at which he or she is employed) as required under Section 7 (b) (2) of the FLSA.

4. Employees subject to the Plan shall be compensated for hours worked in excess of 12 hours in any workday, or for hours worked in excess of 56 hours in any workweek, as the case may be, at the overtime rate (time and one-half the regular rate at which he or she is employed) as required under section 7(b) (2) of the FLSA.
5. In the event any employee subject to the Plan works in excess of 2,240 hours in any 52 consecutive week period set forth above, he or she shall be entitled to overtime pay at time and one-half the regular rate at which he or she is employed for all hours worked over 40 in a workweek in all workweeks within the subject 52 consecutive week period.
6. Employees subject to the Plan shall receive overtime pay for hours worked, only as provided in this Agreement and the applicable sections of the MOU. Payment of overtime under the provisions of the Agreement or the MOU shall not be compounded.

SOUTH TAHOE PUBLIC UTILITY DISTRICT

Robert G. Baer, General Manager

INTERNATIONAL UNION OF OPERATING ENGINEERS, STATION LOCAL 39

Mike Osborn, Business Representative

DATED: _____