

**MEMORANDUM OF UNDERSTANDING**

**June 20, 2024 – June 27, 2029**

**SOUTH TAHOE PUBLIC UTILITY**

**And**

**MANAGEMENT STAFF OF THE  
SOUTH TAHOE PUBLIC UTILITY DISTRICT**

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## **MEMORANDUM OF UNDERSTANDING**

This MEMORANDUM OF UNDERSTANDING, hereinafter referred to as “MOU” or 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 MANAGEMENT STAFF OF SOUTH TAHOE PUBLIC UTILITY DISTRICT, hereinafter referred to as “management” or “Employee”, and has as its purpose the promotion of harmonious labor relations between the District and Management, establishment of an equitable and peaceful procedure for the resolution of differences, and the establishment of rate of pay and other conditions of employment.

### **Section 1. ADMINISTRATION**

- A. The General Manager shall be responsible for the administration of, and has the authority to administer, this Memorandum of Understanding, except as specifically provided herein, and shall specify such administrative procedures, forms, records, reports and audits they deem necessary for proper administration of the Memorandum of Understanding. The General Manager may assign to other District employees such duties in connection with this MOU as they deem proper and expedient.
- B. It shall be the duty of the General Manager to keep, or cause to be kept, accurate records of the application of this Memorandum of Understanding.
- C. The District agrees to advise new Employees of the existence of this Memorandum of Understanding.

### **SECTION 2. 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. ANNUAL SALARY: The amount of individual compensation for a full year of service, which is established specifically in Appendix A.
- C. BOARD: The elected Board of Directors of the South Tahoe Public Utility District.
- D. CLASS: Any position or group of positions within the same pay range as designated in Appendix A, attached hereto and made a part hereof.
- E. CLASSIFIED EMPLOYEES: All Employees filling positions within Management that are responsible to the General Manager rather than the Board of Directors. The Executive Services Manager (ESM) shall be designated a Classified Employee for the purposes of this Memorandum of Understanding, with the understanding that the ESM is responsible to the General Manager and the Board of Directors.

- F. CONFIDENTIAL EMPLOYEES: The General Manager shall be considered a Confidential Employee and is excluded from this Memorandum of Understanding.
- G. CONTRACT YEAR: The Contract Year shall begin on the first pay period of each calendar year and shall last twenty-six (26) pay periods.
- H. DAY: A calendar day.
- I. DEMOTION: A change in position to a position in a lower class.
- J. DISTRICT: The South Tahoe Public Utility District, a California public utility district.
- K. EMPLOYEE: A management Employee of the District subject to this Memorandum of Understanding.
- L. 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.
- M. HOURLY RATE: The amount of individual compensation for a full hour's service, which is computed by dividing annual salary by the number of working hours in a year. (It is hereby understood there are 2,080 working hours per year.)
- N. JOB DESCRIPTION: The job description for each Employee is attached hereto as "Enclosure" and made a part hereof. The General Manager or his/her designee and any affected Employees will meet and confer prior to any change in Job Description.
- O. PAID STATUS: Includes hours worked and time on paid leave (i.e., vacation, sick, comp time, jury duty).
- P. PROBATIONARY EMPLOYEES: Those persons employed for a classified position, 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 him/her proper orientation and training during this period. The supervisor is also to rate his/her performance, and if unsatisfactory, to dismiss him/her before the Employee is given a permanent position with the District.
- Q. PROMOTION: A change in position to a position in a higher class.
- R. RANGE: The minimum and maximum salary rates which may be paid to Employees within a Class, which is established specifically in Appendix A, attached hereto.
- S. REGULAR EMPLOYEES: Any Employees who have completed a probationary period and who occupy a permanent position, established in accordance with Appendix A.

- T. REGULAR WORK SCHEDULE: A work schedule consisting of eight hours per day, five days per week.
- U. TRANSFER: Movement to a position within the same class.
- V. UNION: Stationary Engineers Local 39, representing those employees of the District not covered by this MOU, not including the General Manager, and the Board, which are neither Union nor Management.
- W. WORK DAY: A regular business day from 8:00 a.m. to 5:00 p.m., Monday through Friday.
- X. WORKWEEK: The seven consecutive day period beginning on Thursday at 12:00 midnight and ending on Wednesday at 11:59 p.m.

### **SECTION 3. EMPLOYMENT**

- A. It is the policy of the District that its Employees shall be selected on the basis of education, experience, 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, with the exception of the position of Executive Services Manager, employment of whom the General Manager shall make recommendations to the Board, upon which the Board shall make the final decision.
- B. Job openings shall be posted for a minimum of one week within the District facilities. At the General Manager's discretion said posting may be prior to or concurrent with advertisement to the general public.

### **SECTION 4. 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 December 25, 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 they are qualified, if such a position is available. If no such position is available, then one of the employees will be required to leave the District. The decision as to which employee will leave is left to the involved employees. If the involved employees refuse to decide which employee will leave the District, the District may determine

which employee will leave based upon the needs of the District, and considering seniority, training requirements and other pertinent factors.

#### **SECTION 5. PROMOTION/PROBATION**

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, skills, special aptitude, general adaptability, personal characteristics, physical fitness, promotability, and such other qualifications as are considered necessary by the General Manager for the satisfactory performance of work in the classification being examined. Examinations may consist of written tests, performance tests, evaluation of qualifications, oral examinations, interviews, and assessments of the applications submitted.

If a selection interview board is appointed for the purpose of considering the merits of applicants, it will include a District management level employee and an individual outside the District experienced in the work area being considered, if available. Alternatively, the selection interview board may consist of one District employee in an area unrelated to the position being interviewed, who will be considered the "outside" panelist. Said selection interview board will make recommendations to the General Manager.

Any District 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 District employee fails to satisfactorily complete the probationary period in the new position, the District employee shall have the right to return to his/her previous position in which they held regular status.

Any Probationary Employee may be rejected at any time during the probationary period. Rejection during the probationary period shall result in termination of employment by the District, except in promotional situations, as set forth above.

#### **SECTION 6. PHYSICAL EXAMINATIONS**

Upon reasonable cause the General Manager may require any Employee to submit to a medical, physical, and/or psychological examination whenever there is a need to determine whether an Employee is still able to perform the essential functions of his or her job. The District shall be entitled to make inquiries or require medical or psychological examinations necessary to determine reasonable accommodation of a disabled Employee.

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. All Employees in positions for which the job description requires annual physical examinations shall be required to submit to physical examinations on an annual basis. Employees who, in the opinion of the designated physician, are physically, medically, or mentally incapable of meeting essential requirements of their position even with reasonable accommodation, are subject to transfer or reassignment. If, in the discretion of the General Manager, no reasonable accommodation can be made nor can transfer or reassignment to a position for which the Employee is physically, medically, and/or mentally qualified be

made, the Employee's services may be terminated for inability to perform the essential functions of the position.

Management Staff agrees to abide by the District's Drug-Free Workplace Policy as adopted by the Board of Directors.

#### **SECTION 7. ASSIGNMENTS REQUIRING MOTOR VEHICLES**

- A. The district agrees to pay the established IRS rate per mile in effect during the term of this MOU for every mile traveled in Employee's personal vehicle on official District business. Mileage claims for reimbursement shall be made in writing on District-approved form, fully completed and executed.
- B. Employee agrees to carry a minimum liability policy of \$50,000 for each claim, and \$100,000 per occurrence, with an insurance company approved by District. Proof of insurance shall be provided to District prior to Employee using his/her personal vehicle on District business, and upon reasonable request by District hereafter.
- C. Employees that are assigned District vehicles will comply with the District vehicle policy in effect.
- D. Employees shall use District vehicle(s) and/or claim compensation for mileage, in compliance with the District's Vehicle policy attached hereto as Appendix B and incorporated as if fully set forth herein.
- E. Employees shall be assigned duties requiring use of motor vehicles, in accordance with the motor vehicle code and other applicable laws.
- F. 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 always have and use seat belts when using such vehicles on District business in accordance with California laws. Failure to use seat belts shall be cause for disciplinary action as provided herein.
- G. All Employees who are required to drive as part of their job duties shall maintain a valid driver's license in accordance with their Job Description and shall maintain insurability at all times. If an employee is required to drive as part of his/her job duties, lack of insurability shall be cause of discipline.
- H. The following position is assigned a District vehicle and may use that vehicle for personal use:
  - a. Director of Operations

The allowance will be calculated per the IRS Annual Lease Value method. All business mileage is required to be documented and the allowance will consist of the lease value of the vehicle plus personal mileage.

The following positions are assigned to a District vehicle and may use their vehicle for minimal personal business that is conducted “en route” between job sites, or between a job site and their home.

1. Manager of Field Operations
2. Manager of Plant Operations

The vehicle allowance method is dependent upon the IRS Commuting Rule test for a highly compensated employee. Should the Employee’s annual salary exceed the amount specified by the IRS, the allowance will be calculated per the IRS Annual Lease Value method. All business mileage is required to be documented and the allowance will consist of the lease value of the vehicle plus personal mileage. For Employees who do not exceed the annual salary specified by the IRS, the allowance will be calculated per the IRS Commuting Rule. The allowance is determined by multiplying each one-way commute to/from home by \$1.50.

### **SECTION 8. 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. When requested, counsel and advise Employees, provide 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.
- C. Promote Employee training programs sponsored by educational institutions.
- D. Record the completion of training programs on the Employee service record.
- E. For mandatory training programs, compensation shall be the appropriate rate for the actual training time and actual travel time.

### **SECTION 9 EDUCATIONAL ASSIGNMENTS**

Any Employee may participate in special educational and training programs.

- A. Such programs shall be limited to those directly related to the District which provide knowledge and ability that cannot reasonably be provided on the job.
- B. All programs conducted outside District facilities, or those programs requiring District payment for tuition, registration fees, transportation, or other costs, shall be approved in advance using District-approved forms, fully completed, and executed.
- C. All special educational and training programs shall be recorded and/or reported in the manner prescribed by the General Manger.



- D. The District shall pay the full cost of all tuition, examinations, books, and certification, provided the Employee successfully completes the pre-approved program. The District will pay the state fee for approved certificates and/or renewals.
- E. The District will allow time off with pay for Employees to take certification exams which are within the Employee's field of work, and with prior approval by the General Manager. If the Employee does not pass the exam, they may take time off without pay for reexaminations.

#### **SECTION 10. PERFORMANCE EVALUATIONS**

Performance Evaluation reviews shall be rendered annually for all permanent Employees by their immediate supervisor, pursuant to the Performance Evaluation Program in effect. Probationary Employees shall receive a performance evaluation review prior to the conclusion of the probationary period and may receive several such reviews during the probationary period. Evaluations shall be approved by Employee's immediate supervisor and each succeeding supervisor up to the General Manager.

If an Employee is dissatisfied with his/her performance evaluation, they may appeal to the General Manager, who shall make the final decision regarding the performance evaluation. Any appeal to the General Manager shall be made in writing no later than five (5) working days after the performance evaluation has been approved and shall contain the basis for the appeal and specific facts supporting the appeal.

If an Employee is dissatisfied after the appeal, they may add comments to the Performance Evaluation, which will be made a part of the Employee's personnel file.

#### **SECTION 11. HOURS OF WORK**

The General Manager shall determine the hours of work for each Employee in accordance with the needs of the Department.

During the term of this Memorandum of Understanding, upon the written request of either party, the District and Employees shall meet and confer in good faith over reasonable proposals concerning the establishment of alternative work schedules (i.e., 4/10, 9/80) for administrative employees (Administration, Engineering, Customer Service, Finance, Information Systems) by class or department. A proposed alternative work schedule shall be subject to meet and confer under this provision, only if the proposed schedule would result in no additional cost to the District and would allow for the provision of service at existing or improved levels. After meeting and conferring in good faith, the District shall not be obligated to implement any proposed alternative work schedule in whole or in part, and such decision by the District shall not be appealable or subject to the grievance procedure. Any such alternative work schedule shall include a written agreement by both parties as to the terms and conditions of implementing the same. Such a written agreement shall be made a part of this Memorandum of Understanding.

Remote work may be available on a voluntary basis with the approval of the department manager. Each manager will handle remote work schedule requests in accordance with the Remote Work Policy. Prior to participation, a Remote Work Safety Checklist and Self- Certification form and a Remote Work Agreement shall be completed.

## **SECTION 12. EMERGENCY ASSIGNMENTS**

Whenever it is necessary for the protection of public health, safety, or welfare, Employees may be required 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 Memorandum of Understanding.

## **SECTION 13. SALARY RANGE UPON APPOINTMENT TO A CLASS**

- A. New Employee: Except as otherwise provided herein, any person appointed to a Class shall receive the minimum salary rate within such Class and shall accrue other benefits as a new Employee.
- B. Demotion: In cases of voluntary Demotion, the Employee shall receive the equivalent level of Annual Salary in the lower Range as they received in the higher Range. In all cases of Demotion for cause, the salary placement shall be determined as a part of the disciplinary action.

Employees may, at the discretion of the General Manager, be demoted into prior positions held at the District.

- C. 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.
- D. Appointment of Exceptional Applicant: The General Manger may approve a salary above the established entry level Annual Salary 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.

## **SECTION 14. MERIT INCREASES IN SALARY RANGE**

Increases in Annual Salary above the established entry level Annual Salary 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. New employees shall receive a merit increase, based upon performance, at the end of their six (6) month probationary period. Thereafter, merit increases shall be granted annually after the date of successful completion of the probationary period, based upon satisfactory performance.

## **SECTION 15. OVERTIME/COMPENSATORY TIME**

The parties agree to meet and confer whenever the scope of responsibility for an exempt or non-exempt employee change, which may result in a change of exempt or non-exempt status.

1. Exempt Employees

- A. Employees shall accrue compensatory time for hours worked exceeding 80 hours per pay period, on an hour-for-hour basis.
- B. Accrued compensatory time can be taken off at a later date with supervisor approval. There shall be no limit to the number of compensatory hours accrued during the year.
- C. On the second pay day of the calendar year, using balances as of the last day of the preceding pay period, or upon separation from employment, any remaining accrued compensatory time shall be paid at the appropriate straight time rate, up to an annual limit of 40 hours. At the employee's request, up to forty (40) hours of Compensatory time may be carried forward to the next contract year. Compensatory time payout will be paid as a separate check from regular biweekly paychecks.
- D. Employees shall not receive compensatory time pay or accrual for attending voluntary schooling or conferences, without prior approval of the General Manager. If attendance is mandatory and hours exceed 40 hours worked in a Workweek, the Employee shall be compensated at the appropriate rate as set forth herein. If specific projects necessitate work exceeding 80 hours per pay period, the Employee(s) affected may petition the General Manager to declare such projects exempt from the above compensatory time limits. In order to qualify for exemption, projects shall be of a nature whereby delay or nonperformance would negatively impact the District. Examples of projects that shall be exempt are labor strikes, emergencies, major litigation support, high priority project design, as defined by District staff and approved by the General Manager, construction projects where the contractor's schedule may dictate District Employee work hours, or any project deemed exempt by the General Manager. The General Manager's decisions regarding exemptions shall be final.
- E. Irrespective of any exemptions, total accrued compensatory time paid shall not exceed an annual limit of 240 hours.

2. Non-Exempt Employees

- A. Overtime pay shall be 1-1/2 times the Employee's Hourly Rate of pay for all hours worked in excess of forty (40) hours per Workweek. For purposes of computing overtime pay, hours worked shall include seminar hours and jury duty hours, and holiday hours, vacation days, and sick days.
- B. In lieu of receiving overtime pay for hours worked in excess of 40 hours per workweek, Employees may accrue compensatory time, earned at time and one-half (1-1/2). Compensatory time will be accrued at the rate of 1-1/2 times the Employee's Hourly Rate of pay. Employees may accrue up to a total of 180 hours of compensatory time at any one point during the contract term. Whenever accrued compensatory time exceeds 180 hours, it shall be automatically paid during the pay period in which the 180 hours are exceeded. On the second pay day of the calendar year, using balances as of the last day of the preceding pay period, Employees shall be paid for their accrued compensatory time balance in excess of 40 hours at their then current Hourly Rate. Use of compensatory time off shall be by prior scheduling with and approval by each Employee's immediate supervisor. Upon separation from employment, Employees shall be paid for their accrued compensatory time balance at their then current Hourly Rate.
- C. Employees may earn overtime pay or the equivalent accrual of compensatory time subject to the approval of their immediate supervisor.

- D. Employees shall not receive overtime pay for attending voluntary schooling or conferences without prior approval of the General Manager. If attendance is mandatory and hours exceed 40 hours worked in a Workweek, the Employee shall be compensated at the appropriate rate as set forth herein.

**SECTION 16. 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:
  - a. 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.
  - b. Special payments shall be calculated in accordance with the pertinent provisions of this Memorandum of Understanding.
- C. Salaries shall be paid to all Employees in accordance with the following schedule:
  - a. Salaries for each pay period shall be paid not later than the 5<sup>th</sup> work day of the following week, except that if the 5<sup>th</sup> 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 4<sup>th</sup> work day of said week; and except that if the 5<sup>th</sup> 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.

The compensation provided in this MOU 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.

**SECTION 17. SALARY ADJUSTMENTS**

Effective June 20, 2024, Employees shall receive a Cost-of-Living Adjustment based on the April-April average of the San Francisco-Oakland-Hayward and U.S. Cities Average CPI-W with a minimum of 2.5% and a maximum of 4.5%.

Effective the last pay period in June of 2025 2026, 2027 and 2028, Employees shall receive a Cost-of-Living Adjustment based on the April- April average of the San Francisco-Oakland-Hayward- and U.S Cities Average CPI-W with a minimum of 2.5% and a maximum of 4.5%.

- A. Survey Adjustments  
The parties shall meet and confer over implementation of the 2024 Total Compensation Report (Study), immediately when finalized by the consultant.

The salaries for the Classifications in this bargaining unit are in Appendix A.

- A. Salary Ranges Salary ranges shall be established for each position, as indicated in Appendix A, with six (6) steps, 5% between each step, calculated downward from the maximum class salary as the top step.
- B. Reclassification and Pay Equity Process Whenever the scope, responsibility, or assigned job duties for any Management 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 General Manager or his/her designee wish to change the salary range of a Management position, it shall be done on a meet and confer basis with the Management group, pursuant to the above process.

### **SECTION 18. ASSIGNMENTS REQUIRING TRAVEL**

Whenever Employees are ordered or authorized to travel in the performance of their duties, they shall be compensated for the necessary travel expenses, at actual cost, including transportation, lodging, and meals in accordance with District policy. To the extent transportation includes use of the Employee's vehicle; transportation cost will be reimbursed in accordance with Section 7 hereinabove.

### **SECTION 19. HOLIDAYS**

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

January 1	The first Monday of September
Martin Luther King Jr. Day	Thanksgiving Day
The third Monday of February	The Friday following Thanksgiving
The last Monday of May	December 25
Juneteenth (June 19)	
July 4	

Three (3) eight-hour floating holidays to be taken on a date selected by the Employee and approved by his/her supervisor.

The above 24 hours of floating holiday shall be accrued on the first payday in January.

- B. When January 1, July 4, or December 25 fall on a Sunday, Regular Employees shall be entitled to the Monday following as a holiday with pay and when said dates fall on a Saturday, Regular Employees shall be entitled to the preceding Friday as a holiday with pay.
- C. To receive holiday pay, Employee must be on a paid status the work day preceding and following the holiday.
- D. Accruing holiday when the holiday is not worked will not be allowed. This does not apply to the 24 hours of floating accrued holidays or if a manager actually works a holiday and

accrues holiday time. In these instances, holiday accruals will be allowed and may be used at a later date. Any accrued holiday on the books as of the last day of the last pay period of the calendar year, will be paid out.

## **SECTION 20. VACATION LEAVE WITH PAY**

- A. Vacation with pay shall be earned by Regular Employees based on the equivalent of full-time service from the date of appointment.
  - 1. Vacation credit shall accrue to the Employee on the first day 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.
  - 3. All Employees who have more than three, but less than ten (10) years of service shall accrue vacation on the basis of ten (10) hours for each full month of service.
  - 4. All Employees who have more than ten (10) years of service shall accrue vacation on the basis of 13-1/3 hours for each full month of service.
  - 5. All Employees who have more than fifteen (15) years of service shall accrue vacation on the basis of fourteen (14) hours for each full month of service.
  - 6. All Employees who have more than twenty (20) years of service shall accrue vacation on the basis of fourteen and two-thirds (14-2/3) hours for each full month of service.
  - 7. Vacation may be accumulated to a maximum calendar year-end accrual of three hundred twenty (320) hours. Employees with more than three hundred twenty (320) hours accrued at the end of the first pay period of the calendar year, will not accrue additional vacation hours until their accrued vacation hours are reduced to three hundred twenty (320) hours or less. 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. Employees on leave due to a work-related injury who utilize accrued leave time, to receive the equivalent of a full paycheck (accrued leave plus workers' compensation payments) shall accrue vacation hours at full accrual rate. Employees placed on unpaid suspension shall not accrue vacation leave during the period of their suspension.
  - 9. Vacation longer than two days shall be scheduled a minimum of two (2) weeks in advance, and a maximum of twelve (12) months in advance.
- B. All Employees who have more than six (6) months of service shall be eligible to use accrued vacation.
- C. The General Manager shall determine the period when accrued vacation time may be taken by each Employee, consistent with the requirements of the Department. In the event an Employee

is prevented from taking a scheduled vacation, the General Manager may waive the maximum accrual limitations stated herein.

- D. After six months of service, 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.

**SECTION 21. SICK LEAVE WITH PAY**

- 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. Employees on leave due to a work-related injury who utilize accrued leave time, to receive the equivalent of a full paycheck (accrued leave plus workers' compensation payments) shall accrue sick hours at full accrual rate.
- B. Regular Employees may use sick leave for the purpose specified in this section:
  - 1. Absence from duty 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 with prior notification to General Manager or his/her designee.
  - 3. Absence from duty for attendance upon their spouse or for attendance on a close relative or Registered Domestic Partner 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 legal spouse, putative spouse, Registered Domestic Partner, children (natural and adopted), parents, grandparents, grandchildren, sisters and brothers, aunts, and uncles.
  - 4. Absence from duty to transport a spouse, Registered Domestic Partner, child, or close relative as defined above, residing with the Employee, to and from a local hospital for medical treatment or operation, including childbirth.

5. Absence from duty to be in attendance, at any location, during serious medical treatment or operation, including childbirth, performed upon his/her spouse, Registered Domestic Partner, child, or close relative as defined above.
  6. Continuing employees who have 1,040 hours of accrued sick leave may accept payment for the excess over 1,040 hours on the first payday of December each year. They may elect to continue the accrual of sick leave beyond 1,040 hours if they do not want payment for the excess over 1,040 hours.
  7. 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 1,040 hours, times their regular Hourly Rate. Refer to Section 27.I (Retirement Health Savings Plan) for required provisions of accrued sick leave payout. This paragraph shall not apply to employees hired on or after January 1, 2013.
  8. Upon death of an Employee, the beneficiary shall be paid accumulated sick leave to a maximum of 1,040 hours. This shall not apply to beneficiaries of Employees hired on or after January 1, 2013.
  9. Employees may convert unused accumulated sick leave at time of retirement to CalPERS service credit. To be eligible for this contract feature, the member's retirement date must be within 120 days from the date of separation from the District. The District will comply will all laws pertaining to the conversion of unused sick leave.
- C. In order to receive payment for sick leave, Employee shall notify his/her immediate supervisor or the General Manager in a timely manner.
  - D. The General Manager may require the Employee to provide adequate evidence to substantiate the necessity for use of sick leave with pay.
  - E. Following any absence for serious illness, injury, or exposure to contagious disease, whether or not sick leave was used, the General Manager may require a statement by a medical doctor that the Employee is fit to return to duty.

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

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



Examples:

1. Employees use minimal hours to cover deductions that results in less than 40 hours per pay period. After audit of combined wage/benefit payment to ensure gross wages have not been exceeded, Employee retains benefit received from SDI/PFL. Note: In this case, sick and vacation accruals, and holiday pay or holiday accrual will be pro-rated per Section 27.A.2.
2. Employee uses 40 hours per pay period. After audit of combined wage/benefit payments, Employee is required to remit payment to the District for any amount over 100% of gross wages and sick leave as well as vacation leave (if used), will be credited proportionately.
3. Employees use 80 hours per pay period. Since this scenario results in combined payments over 100% of gross wages, Employee remits the amount of SDI/PFL benefits to the District and sick leave (as well as vacation leave if desired) will be credited proportionately.

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

## **SECTION 22. WORKERS' COMPENSATION INSURANCE**

- 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.
- B. 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.
- C. If any Employee is injured on the job, the General Manager and/or the Human Resources Director shall be notified immediately of such information as may be available and shall immediately receive medical examination and/or emergency treatment. The Employee shall not be considered absent from duty during the time required for medical examination and/or emergency treatment; however, compensatory time shall not be paid for treatment extending beyond normal shift.
- D. During any period of disability for which payment is provided under the workers' compensation insurance, the Employee may elect to receive sick leave with pay in the amount equal to the difference between any compensation benefits and full pay. Employees on Workers' Compensation leave will receive full accruals.

### **SECTION 23. LEAVES OF ABSENCE**

- A. A Regular Employee may be authorized to take a leave of absence with or without pay, with health insurance benefits applied in accordance with the provisions of Section 27.A.2. Health, Life, and Pension Benefits. 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.
  2. Except for absences covered by the FMLA/CFRA Policy or California's Pregnancy Disability Leave law, where use of accrued leave is optional, no employee shall be granted a leave of absence without pay until they have used all accrued sick leave, vacation leave or compensatory time off.
- B. An Employee may be granted a leave of absence with or without pay for a period not exceeding five work days, at the discretion of the General Manager or his/her designee. Such a short-term leave may be granted for any reason.

A request for an extended leave of absence with or without pay, for a period exceeding five work days shall be made in writing. Such leave shall be subject to approval of the General Manager. A leave may be granted for a period not to exceed 90 days for the following purposes:

1. Illness beyond that covered by FMLA, or Pregnancy Disability Leave (medical provider certification form will be required).
  2. Education or training which would benefit the District.
  3. Other personal reasons, approved by the General Manager, when, in their judgment, the District will not be adversely affected.
- C. Leave of absence with or without pay shall be granted to an Employee who is temporarily disabled due to pregnancy. With medical provider certification, the leave shall cover a reasonable time before, during and after childbirth based on her physical disability related to the pregnancy and/or childbirth.
- D. An Employee may be granted an extension of a leave of absence with or without pay for not more than 90 days. Such an extension shall be based on unusual and special circumstances and shall be subject to approval of the General Manager.
- E. A leave of absence may be revoked by the General Manager upon evidence that the cause for granting leave was misrepresented or has ceased to exist.
- F. A Probationary Employee may be granted a leave of absence with or 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.

G. Employment by another employer or self-employment during a leave of absence (including FMLA/CFRA or Pregnancy Disability Leave) is prohibited and shall result in termination, unless otherwise agreed upon in writing between the District and Employee.

H. Leave of Absence Guidelines – Terminal Illness

- a. The District will authorize an extended leave of absence to an Employee under the following conditions:
  1. Must be diagnosed with a terminal illness; and
  2. Must be unable to obtain private health insurance after separation from service, due to their terminal illness diagnosis; and
  3. Must state that they will not ever return to work.
- b. During such leave of absence, the Employee will first be required to use accrued sick leave, then all other accrued leave types at full pay (80 hours per pay period), until the earliest of:
  1. The date the accrued leave is exhausted.
  2. The date the employee becomes eligible for Medicare.
  3. Maximum leave duration of 12 months.
- c. The Employee must provide the District with the dates of the beginning of the leave of absence, which must be accompanied by physician's documentation stating the diagnosis of a terminal illness.
- d. The Employee must also provide the District with a statement that they do not intend to return to work.
  1. The initial "retirement date" will be the first day of the leave of absence.
  2. The "final retirement date" will be determined by calculating the accrued leave balances available at the beginning of the leave of absence and subtracting 80 hours per pay period until that beginning accrued leave balance is exhausted.
  3. Any leave accrued during the leave of absence will then be paid out at the Final Retirement Date.
- e. Employees extended a leave of absence under these guidelines will not be eligible for the Voluntary Leave Donation Program at any time subsequent to being granted this leave of absence for terminal illness.

#### **SECTION 24. FAMILY DEATH LEAVE**

- A. The General Manager may authorize family death leave with pay for a Regular Employee when needed due to the death of his/her legal spouse, putative spouse, parent, child (natural or adopted), stepchild, 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 family death 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 vacation, sick, or other accrued leave, at the discretion of the General Manager. The General Manager may require documentation to approve such family death leave.

## **SECTION 25. JURY DUTY LEAVE**

- A. Regular Employees with the District 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.

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. 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 they are required to report to the court (exceptions require the immediate supervisor's approval);
  2. Report back to his/her work location if they are released early and there are at least two (2) hours available for actual work time (not including travel time). Exceptions require the immediate supervisor's approval.
  3. Obtaining attendance slips from the court certifying actual dates of service may be required, at the discretion of the General Manager, for verification of jury duty leave.
- C. It is the Employee's obligation to notify his/her supervisor, in writing, as soon as they have been called for jury duty and the date for reporting.

## **SECTION 26. 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.

## **SECTION 27. HEALTH, LIFE AND PENSION BENEFITS**

The District will provide medical, dental, vision, life insurance, retirement health savings, and long-term disability benefits to all eligible Employees and their eligible dependents including Registered Domestic Partners, in accordance with the following terms and provisions.

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 insurance benefits programs and pension plan.
2. Regular Full-time Employees who work (or received paid leave for) less than 40 hours per pay period due to medical leave or layoff will receive proportional accrual/pay for holiday, sick leave, and vacation 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).
3. 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.
4. Each Eligible Employee as defined above, their eligible dependents or their Registered Domestic Partner as defined by California state laws, shall be provided with hospitalization, prescription drug, and medical insurance through the ACWA pooled program effective January 1, 2013, and dental insurance coverage in conjunction with the District's self-insured plan.

B. Health Insurance Benefits

First and foremost, the District and the Management Group desire Employees and their families to maintain good health by encouraging personal responsibility, while utilizing insurance resources efficiently. Employees are encouraged to carefully read and refer to the Plan Document for the details of all the benefits listed in this section.

1. Employees shall be covered by the ACWA-JPIA Prudent Buyer Classic Plan or the ACWA-JPIA Consumer Driven Health Plan for medical and prescription coverage, with the District fully funding the premium for the employee and their dependent(s).
  - a. If an employee elects to participate in the ACWA-JPIA Consumer Driven Health Plan, the District will contribute to a Health Savings Account (HSA) the following amounts, at the beginning of each calendar year: Single - \$1,400; Employee plus One - \$2,800; and Family - \$2,600. Such funds in the HSA will be considered Employee monies to be used for qualified expenses.
2. Dental Insurance Employees and their eligible dependents are encouraged to obtain their routine dental exams and cleanings twice per year.

3. The District will contract out to a third-party for matters pertaining to dental claims determinations, including the filing of claims and review of claim denials, except that the District may be consulted on matters involving potential exceptions to dental plan exclusions or review of claim denial appeals. 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 dental plan exclusions or claim denial appeals.
4. 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 for amount(s) owed by Employee to provider, and clarification of benefits under the applicable Plan Document(s).
5. Except for the District's obligation to provide health and welfare insurance coverage in a manner consistent with this section, matters pertaining to the health and welfare 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.

C. Ancillary Benefits

1. Vision care, which includes coverage for exams, glasses and/or contacts, will be provided for the Employee and their dependent(s) through the most cost-effective program available to the District (ACWA's pooled participation in Vision Service Plan, Inc., as of the date of this MOU).
2. Life insurance will be provided in the amount of one-times annual earnings to a maximum of \$200,000 for the Employee, with an additional benefit of \$5,000 for spouses and \$2,500 for dependent children.
3. Short-Term/Long-Term Disability (STD/LTD) Benefits will be provided to Employees. If level of benefits becomes unavailable in the insurance industry, the District will provide the most equivalent, cost-effective plan available, subject to the meet and confer process.

- D. In the event of accident or illness, of any Employee with ninety (90) days or more of employment, the District will continue the monthly payments for all benefits for the Employee and his/her dependents for a period of three (3) months.

E. Pension Benefits

1. For Employees hired before January 1, 2013, the District agrees to maintain the contract between California Public Employees' Retirement System (CalPERS) and the SouthTahoe Public Utility District for the Miscellaneous Plan 2.7% at Age Fifty-five (2.7% @ 55)

Supplemental Formula, Zero Percent (0%) Prior Service effective July 1, 2007, and that the District agrees to remit to CalPERS the entire required contribution for each eligible employee.

- a. 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 maximum of 8% paid for by Employees.
  - b. 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 end of the fiscal year, or if an employee terminates before the end of the fiscal year, the bonus shall be prorated based on the number of days employed by the District during the fiscal year. Should the employees' actual contribution ever increase more than 5% the District and the Management Staff agree to meet and confer.
2. Effective January 1, 2013, new Employees who are not identified as Classic Members by CalPERS, will be under the CalPERS plan allowed by AB 340, Public Employees' Pension Reform Act. New members to CalPERS, as defined by law, will be at the 2% @ 62 formula, and be subject to the new cost sharing formula as defined by CalPERS. The District will comply with all laws pertaining to this new pension reform.
- F. Flexible Benefits Plan The District shall continue to provide the voluntary flexible benefits program in effect as of December 25, 1996. District will allow additional payroll deductions for a flexible benefits program and for other ancillary employee paid insurance programs. Costs for administration of all aspects of the flexible benefits program shall be equally shared by the Participants and the District.

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

- G. Deferred Compensation Plan District shall continue to provide the voluntary Deferred Compensation program in effect as of the date of this Memorandum of Understanding. District will allow payroll deductions for such Deferred Compensation program in accordance with applicable law. The Deferred Compensation Plan will allow participant loans from individual accounts, with a loan maturity date consistent with the Deferred Compensation Plan provider's loan procedures. The current Deferred Compensation Plan provider, for example, allows mortgage loans for a period not to exceed fifteen years.
- H. Retirement Health Savings Account Effective June 21, 2012, the District will contribute 1.5% of base salary per month per Employee into a Retirement Health Savings Plan (RHSP). Effective June 29, 2017, and each subsequent year thereafter, the District's RHSP contribution will increase by the January percent increase of the premium for the ACWA-JPIA Prudent Buyer Classic Plan.



Upon termination, a Regular Employee shall receive credit equal to ten percent (10%) of accrued unused sick leave for each full year of employment, up to a maximum of 1,040 hours, times their regular Hourly Rate. Twenty percent (20%) of the accrued vested balance shall be rolled into the Retirement Health Savings Plan with ICMA-RC, and the Employee will receive a cash payment for the remaining balance of accrued unused sick leave, up to a maximum of 1,040 hours, times their regular Hourly Rate. This paragraph shall not apply to Employees hired on or after January 1, 2013.

- I. Any material changes in benefits that is caused by District action shall require re-negotiation of this MOU.

### **SECTION 28. 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 Every Employee shall exhibit behavior that encourages mutual respect, teamwork, and positive attitudes, during their term of employment.
- 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 reputation of the District.
  - 3. Conviction of a felony.
  - 4. Theft, or attempted theft.
  - 5. Vandalism or willful conduct which damages real or personal property.
  - 6. Use of fraud, deception, or misrepresentation of material facts in obtaining employment or during the course of employment with the District.
  - 7. Dishonesty.
  - 8. Discourteous treatment of the public or of fellow employees.
  - 9. Physical attack, fighting, or verbal altercations toward fellow employees or the public, or violation of the District's Workplace Violence Prevention Policy.
  - 10. Drunkenness, immoral conduct, or violation of the District's Drug-Free Workplace Policy or Substance Abuse Policy, as adopted by the Board of Directors.

11. Failure to observe the requirements of the District's Illness and Injury Prevention Program, including failure to use seat belts in accordance with Section 7, Assignments Requiring Motor Vehicles.
12. Violation of the District's Sexual Harassment Policy.
13. Incompetency or inefficiency.
14. Insubordination.
15. Unauthorized absences.
16. Abuse of sick leave.
17. Neglecting duty such as to prevent the Employee from achieving a reasonable work performance in his/her position.
18. Accepting any gift or fee in connection with District work when such gift or fee is given in expectation of receiving favored treatment.
19. Removal of, 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.
20. Political activities engaged in by Employees and unrelated to the Employee's position at the District during their assigned hours of employment.
21. Using or attempting to use political influence in securing promotion, leave of absence, transfer, change of pay, or character of work.
22. Failure to maintain any required licenses or certifications or failure to maintain insurability.

C. Disciplinary Measures In the event an Employee has committed one or more of the violations set forth in Subsection A or B hereinabove, the General Manager may apply a number of corrective disciplinary actions in accordance with this MOU. The action applied includes the following:

1. Coaching/counseling.
2. Oral Warning.
3. Documented Oral Warning.
4. Written Warning.
5. Suspension Without Pay or Compensatory Time Off.
6. Termination of Employment.

The disciplinary action actually applied is within the discretion of the General Manager, after consideration of the severity of the violation.

D. Additional Reasons for Termination

1. 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 5.
2. Any physical or mental ailment, such as to prevent the Employee from performing the essential duties of his/her position or any other position available for which the Employee is qualified, in accordance with Section 5.
3. Permanent inability to perform the essential functions of the Employee's position as set forth in Section 5.

**SECTION 29. DISCIPLINARY PROCEDURE**

A. Notice of Proposed Discipline

Prior to taking disciplinary action to demote, dismiss, or suspend for three (3) work days or more, the District shall investigate the alleged violations. Said investigation shall include obtaining a statement and receiving information from Employee. In the event the District finds sufficient facts to support the allegation, it shall provide the Regular Employee with a written Notice of Proposed Disciplinary Action which shall contain the charges, 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. The General Manager may suspend an Employee without pay for periods of less than three (3) work days without being subject to the notice requirement. Such suspension decisions of suspensions less than three days are final.

B. Response

The Employee shall have the right to respond to the charges set forth in the Notice of Proposed Discipline, in writing, within five (5) calendar days of receipt of said notice. Any written response shall be delivered to the office of the General Manager within the time allowed. 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. Such representative and any District representative to be present must be identified at least two (2) working days prior to commencement of the response meeting.

C. Disciplinary Action

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

D. Notice of Disciplinary Action

If the General Manager determines to proceed with the disciplinary action, a Notice of Disciplinary Action shall be sent to the Employee by certified mail. Said notice shall contain the charges, the factual basis for the charges, the disciplinary action imposed, and the effective date of the action, which shall not be earlier than five (5) work 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 to binding Arbitration.

E. Appeal

If the Employee is not satisfied with the decision of the General Manager, they may request, within five (5) days of receipt of the Notice of Disciplinary Action, that the General Manager arrange for the American Arbitration Association to provide a list of Arbitrators from which the parties shall select one who would act as an arbitrator in the matter. The General Manager shall request such service within ten (10) days of Employee's request. 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 General Manager shall present the 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. At the close of the hearing, the Arbitrator has the right to affirm, deny, or modify the disciplinary action.

The decision of the Arbitrator shall be final and without judicial recourse, except for the enforcement of the Arbitrator's decision.

F. Suspension Pending Action

The General Manager shall have the power to suspend the Employee, with or without pay, during the period between the date the Notice of Proposed Disciplinary Action is sent and the date the disciplinary action becomes effective. In the event the Arbitrator overturns the action of the General Manager, the Employee shall be reimbursed for any loss of pay or benefits incurred during this period.

G. Probationary Employees

Probationary Employees are not entitled to notice or hearing in the event they are terminated during the probationary period.

H. Other Disciplinary Action

This section shall not apply to suspensions of less than three days, or any disciplinary actions not set forth in subsection A above.

I. Employee Rights

The Employee retains all rights that may be conferred by Government Code §3500 et seq.

### **SECTION 30. GRIEVANCE PROCEDURE**

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

A. Definitions

1. A grievance is a complaint of one or a group of Employees, involving the interpretation, application, or enforcement of the express terms of this Memorandum of Understanding.

2. As used in the procedure, the term “working days” shall mean days on which the District office is open.
3. As used herein, the definition of a Grievance excludes appeals of disciplinary actions which are covered under Section 29, above.

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 that may be conferred by Government Code section  $\beta$ 3500, et seq.

D. Informal Discussion

1. The grievance initially shall be discussed by meeting and conferring with the General Manager with the intent of informally resolving the issue. Within two (2) working days, the General Manager shall give a decision or response.
2. If an informal grievance does not resolve the issue to the satisfaction of the grievant, or if there is a 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) working days the decision rendered in the informal grievance procedure , whichever is later.

E. Formal Grievance

1. A formal grievance shall be initiated in writing and shall be filed with the General Manager.
2. Within five (5) work days after the initiation of the formal grievance, the General Manager shall investigate the grievance and give a decision in writing to the grievant.

F. Appeal of Formal Grievance

1. If the grievant is not satisfied with the decision rendered, they may appeal the decision in writing within five (5) work days, referring the matter to binding arbitration.
2. An impartial arbitrator shall be selected from a list provided by the California State Mediation and Conciliation Service or the American Arbitration Association. The arbitrator shall be selected jointly by the parties within ten (10) work days of receipt of the written demand.

3. The arbitrator shall have no authority to add to, delete, or alter any provisions of this MOU, but shall limit his/her decision to the application and interpretation of its provisions. The decision of the Arbitrator shall be final.
4. The fees and expenses of the arbitrator, if required by the arbitrator, shall be shared equally by the parties. Any fees, expenses, or other costs, including a reporter, shall be paid by the requesting and incurring party.
5. The District agrees that Employees shall not suffer loss of compensation for time spent as a witness at arbitration hearing held pursuant to this MOU, however District will not pay for any loss in compensation suffered by any grievant in attending or testifying at the hearing unless the arbitrator determines the grievant has prevailed at the hearing.

### **SECTION 31. LAYOFF**

In the event that the District determines to lay off Employees, Employees who are laid off may be eligible for a post-employment severance benefit payment equivalent to two month's salary plus medical, dental and vision benefits, plus the value of an additional three months of health coverage for the Employee and his/her dependents at the levels in place the day before the date the district provides notice of layoff. Eligibility for any severance payments under this section is expressly conditioned upon a written release of all claims against the District and District-affiliated persons (i.e. employees, Board members, officers, etc.) in a format acceptable to the District. All such severance payments made shall be subject to all applicable payroll taxes and withholdings. Laid off employees shall also remain eligible for any post-separation and post-retirement benefits provided by the District as are memorialized by the MOU in place at the time of the employee's layoff from District service.

### **SECTION 32. DISTRICT 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 a public employer. 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, supervise and direct Employees in the performance of their duties, set standards to ensure proper and efficient use of the work force and equipment, determine qualifications and abilities, and 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. It is understood the General Manager shall carry out the foregoing and the Board shall not directly assign tasks to Employees.

### **SECTION 33. ENTIRE AGREEMENT**

This Memorandum of Understanding constitutes the entire agreement between the parties and includes 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 this 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, 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, except that Employees shall have all rights accorded them under the provisions of State of California and Federal labor laws.

### **SECTION 34. SEPARABILITY OF SECTIONS**

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

### **SECTION 35. TERM OF AGREEMENT**

The parties agree that this Memorandum of Understanding shall stay in full force and effect through June 27, 2029.

### **SECTION 36. NO STRIKE AGREEMENT**

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

**SOUTH TAHOE PUBLIC UTILITY DISTRICT**  
**Date Adopted by Board: June 6, 2024**

\_\_\_\_\_  
Dave Peterson  
President, Board of Directors

\_\_\_\_\_  
Paul Hughes  
General Manager

**ATTEST:** \_\_\_\_\_  
**Melonie Guttry, Clerk of the Board**

**MANAGEMENT STAFF OF THE SOUTH TAHOE PUBLIC UTILITY DISTRICT**

_____	Dan Arce, Lab Director
_____	Heidi Baugh, Purchasing Agent
_____	Aaron Buckman, Manager of Plant Operations
_____	Adrian Combes, Director of Operations
_____	Megan Colvey, Senior Engineer
_____	Trevor Coolidge, Senior Engineer
_____	Greg Dupree, Accounting Manager
_____	Brent Goligoski, Senior Engineer
_____	Melonie Guttry, Executive Services Manager
_____	Liz Kauffman, Human Resources Director
_____	Ryan Lee, Customer Service Manager
_____	Julie Ryan, Engineering Department Manager
_____	Andrea Salazar, Chief Financial Officer
_____	Mark Seelos, Water Resources Manager
_____	Chris Skelly, Information Technology Manager
_____	Chris Stanley, Manager of Field Operations
_____	Shelly Thomsen, Director of Public & Legislative Affairs