

**MEMORANDUM
OF UNDERSTANDING**

**Employees
Association**



June 20, 2016 – June 27, 2021

Memorandum of Understanding **EMPLOYEES ASSOCIATION**

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Exhibit A, Classifications in the Employees Association and Monthly Salary Schedule

**Memorandum of Understanding
Oro Loma Sanitary District
EMPLOYEES ASSOCIATION**

The authorized representatives of Oro Loma Sanitary District (herein called “District”) and the Employees Association (herein called “Association”) have heretofore met and conferred in good faith as required by law.

The District and Association have freely exchanged information, opinions, and proposals, and each has fully considered presentations made by each other. As a result, the aforesaid have reached the following understanding, which, in accordance with Section 3505.1 of the California Government Code, has been presented to the Board of Directors of Oro Loma Sanitary District for consideration and approval. This Memorandum of Understanding (MOU) shall apply equally to all Classified Employees of the District represented by Association and is subject to all existing laws of the State of California applicable to the District, including the Meyers-Milias-Brown Act (Section 3500-3511 of the California Government Code), ordinances, resolutions, and administrative rules of the District, except as expressly provided to the contrary herein.

DISTRICT RIGHTS AND RESPONSIBILITIES

GENERAL: The rights of the District include, but are not limited to, the exclusive right to determine the nature and extent of services to be performed, as well as the right to determine and implement its public function and responsibility; manage and control all property, facilities, and operations of the District, including the methods, means, and employees by which the District’s operations are to be conducted; determine the size and composition of the working force; determine the procedures and standards of selection for employment; relieve its employees from duty because of lack of work, funds, or for other legitimate reasons; maintain the efficiency of governmental operations; determine the content of class description; take all necessary actions to carry out its mission in emergencies; exercise complete control and discretion over its organization and technology of performing its work; and take such other and further action as may be necessary to organize and operate the District in the most efficient and economical manner and in the best interest of the public it services. The District shall administer the provisions of this MOU in accordance with its contract with CalPERS.

MANAGEMENT: The management rights of the District to promote, demote, reprimand, suspend, discharge, or otherwise discipline employees for cause are subject to the grievance procedure hereinafter provided.

EMPLOYEE RIGHTS

GENERAL: Employees of the District shall have the right to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employee relations, including, but not limited to, wages, hours, and other terms and conditions of employment. No employee shall be interfered with, intimidated, restrained, coerced, or discriminated against by the District or by any employee organization because of exercising these rights.

I. SALARIES & MISCELLANEOUS COMPENSATION

A. COMPENSATION

Schedule of Salaries: The salary plan shall provide seven graduated salary steps for all classes of positions in the classified service. Salary step increases shall be earned, shall be subject to satisfactory service, and shall not be considered a right of the employee. After satisfactory completion of the required probationary period, which is 12 months of continuous service in the same position unless extended, an employee is eligible for his/her first step increase upon recommendation of his/her supervisor and/or Department Head. Thereafter, when he/she completes additional consecutive twelve (12) months of continuous service in the same position, the employee may be advanced to the next higher rate of compensation, as set forth in the schedule, upon recommendation of his/her supervisor and/or Department Head, until he/she reaches top salary step. After reaching the top step, the employee shall remain at the rate while he/she continues to serve in the same position and provides satisfactory work performance.

At the beginning of each contract year (first day of payroll #14), the salaries for all classifications in the Employees Association will be increased by the actual Consumer Price Index (82/84=100 Wage Earners San Francisco-Oakland Bay Area) for the period of April through April of the preceding year, at a minimum increase of 1% and a maximum increase of 5%. The annual CPI increases will be processed with the following effective dates: June 20, 2016; June 19, 2017; June 18, 2018; June 17, 2019; and June 15, 2020. Should the actual said Consumer Price Index reach 6% or higher, this contract shall be re-opened no more than once per year for the sole purpose of salary negotiations.

B. OVERTIME

1. **General:** Overtime for the purposes of this Section shall be deemed to be that time worked by employees authorized or required to work beyond 40 hours per week; the 40 hours do not include vacation, sick leave, or any other type of leave. Example: Employee A works 34 hours in one week, and uses 8 hours of vacation during the same week, for a total of 42 hours; Employee A marks 6 hours of vacation on the timesheet, and is not entitled to overtime.

The supervisor will make his/her best effort to seek volunteers, but reserves the right to assign overtime to the most qualified individual to work on a particular project.

Compensation for overtime, regardless of classification, Sunday, holiday or other consideration, shall be paid at the rate of one and one-half (1-1/2) times the hourly rate, based on the employee's monthly salary, or time off with pay at the rate of one and one-half (1-1/2) times the hourly rate, based on the employee's monthly salary.

2. **Call Back Pay:** A minimum of three (3) hours of overtime shall be credited to each employee who is called back to work after leaving his/her regular shift for the day, with an extra 15 minutes allowed for travel time each way.
3. **Compensatory Time In Lieu Of:** An employee may elect to receive compensatory time off in lieu of overtime pay until a maximum of 60 hours of compensatory time off has been accumulated.

Accrued compensatory time up to the maximum 60 hours shall be used when requested by the employee and approved by the supervisor, provided, however, that the District shall have the right to deny such request when in the sole judgment of the supervisor/Department Head said employee is needed to effectively staff District operations. To be eligible for compensatory time off, the employee shall request from his/her supervisor, as soon as possible, the scheduling of said compensatory time off, but no later than twenty-four (24) hours prior to the commencement of said compensatory time off.

Upon the resignation or retirement of an employee, the employee shall, at his/her option, either be granted time off or be paid a lump sum for all authorized accrued compensatory time.

4. **Meals:** When overtime extends two (2) hours beyond an assigned shift, and for each four (4) hours thereafter, a meal allowance of \$10.50 shall be added to the employee's compensation. Meal allowances shall not apply to overtime for which twenty-four (24) hours notice was provided.
5. **Mileage Allowance:** Mileage shall be computed as the actual distance from the employee's home to the Treatment Plant and back by the most direct route, and shall be compensated at the rate provided by the Internal Revenue Service.

C. TRAFFIC MANAGEMENT EXPOSURE PAY

Employees Association members whose normal workday involves duties performed in traffic controlled areas shall be eligible for traffic management exposure pay when performing these duties. Said compensation shall be approved in advance by the supervisor, and paid at a rate of \$2.50 per hour for those hours in which the Association member is actually performing the hazardous work in the traffic controlled area.

D. INCENTIVE PAY

Certain employees are required to obtain California Water Environment Association (CWEA) certification. Required certification for the various classifications is as follows:

Industrial Waste Inspector	Grade II, Certificate in Industrial Waste Inspection
Plant Chemist	Grade II, Laboratory Technician Certificate

Effective June 20, 2016, if an employee exceeds the grades of certification in his/her classification as set out above, he/she shall receive the following amounts, paid on a monthly basis through the payroll system:

One step above the required grade	\$46.75/month
Two steps above the required grade	\$57.75/month
Three steps above the required grade	\$68.75/month

Certification pay will be effective retroactive to the date the certificate was acquired, and upon submittal of a copy of the certificate to the District. Employees are required to maintain valid certification and provide proof of such.

The District shall also incentivize employees for the acquisition and maintenance of certifications in other trades; for possession of a Professional Engineering License by the Field Engineer(s); and, for

possession of a Certified Public Accountant License by the Accountant(s). However, regardless of the total number of certifications an employee may acquire, the District shall only pay for a maximum of three steps above the employee's required certification.

Employees qualified to provide specialized training (e.g. CPR, First Aide, Forklift Training, Mainsaver, etc.) to other District employees shall receive 5% in addition to base salary when actually providing training, on an hour-per-hour basis. The training must be formalized (scheduled and agenda'd) and pre-approved/authorized by the supervisor in order to qualify for additional compensation.

The District is committed to providing assistance for the training and improvement of employees, and will allow the use of the Employee Qualification Improvement Program, detailed in Section VII.F of this Memorandum of Understanding, for approved certification training.

The District acknowledges that the job descriptions provide two years to obtain certain certifications, which may not be able to be accommodated through the time scheduling of CWEA. In this event, the employees may request an extension of time from the General Manager to obtain the required certification at the soonest possible date.

E. ACTING PAY

In the event any classified employee is temporarily assigned and performs duties in a classification higher than his/her own for an uninterrupted period of 24 work hours or more, the District will pay the employee Step A of the higher classification or five percent (5%) above the employee's normal hourly rate, whichever is greater, for each full day worked in both classified and unclassified positions. Should the employee be required to work overtime while on an acting assignment, he/she shall be compensated at one and one-half times the hourly rate of the acting assignment. Should an observed holiday fall within the assignment to a higher classification, the employee will not be eligible for acting pay on that day. Should the employee use eight or more consecutive hours of sick leave, vacation, floating holiday leave or compensatory time off within the initial 24 consecutive work hours of performing the duties of the higher classification, the employee will not be eligible for acting pay.

Employees available for temporary job assignments will be considered on the basis of both:

- Ability to perform work
- Seniority rotation

Of the two criteria, the employees' performance record and ability to perform the work will be considered before seniority. The District may continue its practice of combining crews during vacations or protracted absences.

F. LONGEVITY PAY

Employees who complete 25 years of satisfactory service with OLSD, and who are 58 years old or older, shall receive a one-time 2.5% increase to base salary. The increase shall be effective the first pay period following the 25th employment anniversary for employees 58 years old or older, or the first pay period following the 58th birthday for employees who have completed at least 25 years of satisfactory service to the District by that date.

II. HEALTH & WELFARE BENEFITS

A. FLEXIBLE BENEFITS PROGRAM

For the duration of this contract, the District will contribute certain amounts per month, per full-time employee, for benefits covered under the District's flexible benefit program. The monthly amounts will not exceed the combined premiums for the Kaiser health insurance (based on individual enrollment status – one party, two party, or family), dental insurance (family), vision insurance (employee only), life insurance (\$20,000 coverage), and \$140.00, which the employee may allocate to a higher-cost benefit, to a medical reimbursement and/or dependent care reimbursement account, to purchase additional life insurance coverage, or receive as cash. If the employee enrolls in a health plan with a premium lower than Kaiser, the employee may allocate the difference to a medical reimbursement and/or dependent care reimbursement account, purchase additional life insurance, or receive as cash. In accordance with IRS regulations, and under the District's flexible benefits program, employees will also be allowed to contribute pre-tax dollars, to be used for reimbursement of qualified medical expenses and/or dependent care expenses. The Flexplan amount shall be adjusted annually by the District by the actual increases in Kaiser rates (one party, two party, or family), dental, vision, and life insurance premiums, if applicable.

1. **Cash-Back in Lieu of Medical Coverage.** Effective January 1, 2017, an employee who chooses to waive the medical coverage offered by the District, and provides written documentation indicating that he/she receives such benefit under the medical plan of a spouse or domestic partner, may elect, each year during the open enrollment period, to receive a monthly "cash-back" benefit in an amount equal to the Kaiser one-party rate for that calendar year. However, the employee can re-enroll in one of the District's medical plans during the annual open enrollment period, or at any time throughout a year in which a qualifying event occurs that generates a loss of coverage. This provision is intended to reduce costs to the District by incentivizing employees not to enroll for medical coverage that they do not need. The cash-back in lieu of medical coverage provision does not apply to dental, vision, or life insurance coverage. The employee is responsible for all taxes on the cash-back amount, as provided by the IRS.
2. **Medical Plan Payments, Unpaid Leave Status:** Medical plan payments for employees in an unpaid leave status will be made by the District in conformance with the CalPERS medical plan guidelines.

Employees who are not in a full pay status for the month will receive a pro rata share of the monies allocated by the District toward the flexible benefit program.

B. MISCELLANEOUS

In the event that it becomes possible for the District to provide hospital-medical insurance, life insurance, and dental and vision coverage as nearly comparable as possible to the most economical benefit plan available to employees under this MOU, without additional cost to the employees, the District may substitute new insurance carriers or institute a self-insurance program. The Association will be given an opportunity to review the coverage afforded under such substitute plans, and such plans shall be acceptable to the Association before they are implemented.

C. POST-RETIREMENT MEDICAL BENEFIT PLAN

1. General

Upon retirement from Oro Loma Sanitary District through the California Public Employees Retirement System (CalPERS) and active enrollment in one of the District's CalPERS health plans at the time of retirement, all eligible employees will be entitled to post-retirement medical benefits in accordance with Oro Loma's Post-Retirement Medical Benefit Plan described herein. Eligibility is based on age and years of service with Oro Loma Sanitary District and assumes the employee to be a full-time, regular employee receiving District benefits. For purposes of this Program, the words retire, retirement, retiree, retired, etc., all mean that the employee has applied for, and is currently receiving, a pension benefit from CalPERS. In the event that an employee should cease retirement and re-enter the CalPERS system, retiree entitlement to medical benefits under this Plan shall cease for the period that the employee is employed and earning service credit in CalPERS. Former employees whose benefits have been temporarily suspended are entitled to begin receiving benefits under this Plan after having provided evidence of again being retired from CalPERS. Part-time and temporary employees who do not receive District benefits do not accrue service credit for purposes of this post-retirement medical benefit.

2. Eligibility for Retiree Medical Benefit Plan

For the purpose of determining eligibility for post-retirement medical benefits, active District employees are divided into four categories:

- a. Employees hired before June 30, 2006, who are vested and eligible to retire under the PERS system on or before June 30, 2006, **and** who are 55 or older on or before June 30, 2006, will retain the August 19, 2002 post-retirement medical benefits plan, as outlined in the Collections Bargaining Unit MOU dated June 25, 2001 – June 30, 2006. In addition, employees hired before June 30, 2006, who have completed 20 or more years of satisfactory service to the District on or before June 30, 2006, will retain the right to post-retirement medical benefits as provided in the August 19, 2002 post-retirement medical benefits plan. The details of said plan are outlined in the District's June 25, 2001 – June 30, 2006 MOUs.
- b. Employees hired before June 30, 2006, and who have completed less than 20 years of satisfactory service to the District as of June 30, 2006, will be eligible for post-retirement medical benefit up to the applicable Kaiser two-party member rate, based on age and years of service, as indicated in Table A below. The minimum benefit (50% of the Kaiser two-party member rate) will be afforded at the age of 55, with 15 years of OLSD service.

YEARS	AGE	PERCENTAGE
Minimum Age 55		
15	55	50%
16	56	60%
17	57	70%
18	58	80%
19	59	90%
20	60	100%
Minimum age and service to collect benefits is 15 years at age 55.		
For combinations of age and years of service not specified above, the higher percentage benefit applies.		

Table A

Example #1: An employee hired before June 30, 2006, who has completed less than 20 years of OLSD service as of June 30, 2006, and who retires at age 55 with 20 years of service receives 100% of the benefit.

Example #2: An employee hired before June 30, 2006, who has completed less than 20 years of OLSD service as of June 30, 2006, and who retires at age 58 with 16 years of service receives 80% of the benefit.

Example #3: An employee hired before June 30, 2006, who has completed less than 20 years of OLSD service as of June 30, 2006, and who retires at age 58 with 18 years of service receives 80% of the benefit.

Example #4: An employee hired before June 30, 2006, who has completed less than 20 years of OLSD service as of June 30, 2006, and who retires at age 60 with 15 years of service receives 100% of the benefit.

- c. Employees hired between July 1, 2006 and June 26, 2011 will be eligible for post-retirement medical benefits up to the applicable Kaiser two-party member rate, based on age and years of service, as indicated in Table B below. The minimum benefit (50% of the Kaiser two-party member rate) will be afforded at the age of 60, with 15 years of OLSD service.

YEARS	AGE	PERCENTAGE
Minimum Age 60		
15	60	50%
16	60	60%
17	60	70%
18	60	80%
19	60	90%
20	60	100%
Minimum age and service to collect benefits is 15 years at age 60.		

Table B

The actual reimbursement benefit will be modified downward to reflect any deletion(s) occurring after retirement, such as the death or divorce of retiree/spouse, death of a dependent, and/or dependent child losing his/her PERS eligibility status at the end of the month in which this change in status occurs. In the event the retiree dies, his/her enrolled spouse or eligible dependent(s) will be entitled to continue receiving benefits under this Plan based on the retiree's percent entitlement at the time of retirement. For purposes of this Plan, eligible dependent shall mean a spouse or child by birth or legal adoption. **After retirement, should the retiree wish to add any person(s) to his/her medical coverage, the retiree shall be solely responsible for the added coverage and this amount is not reimbursable by the District.**

- d. Employees hired on or after June 27, 2011 will be eligible for post-retirement medical benefits up to the applicable Kaiser one-party rate, based on age and years of service, as indicated in Table C below. The minimum benefit (50% of the Kaiser one-party member rate) will be afforded at the age of 60, with 15 years of OLSD service.

YEARS	AGE	PERCENTAGE
Minimum Age 60		
15	60	50%
16	60	60%
17	60	70%
18	60	80%
19	60	90%
20	60	100%
Minimum age and service to collect benefits is 15 years at age 60.		

Table C

In the event the retiree dies, his/her enrolled spouse will be entitled to continue receiving benefits under this Plan based on the retiree's percent entitlement at the time of retirement. **After retirement, should the retiree wish to add any person(s) to his/her medical coverage, the**

retiree shall be solely responsible for the added coverage, and this amount is not reimbursable by the District.

3. Determination of Service Years for Purposes of Benefit Entitlement

Years of service at Oro Loma is determined by a calculation using the anniversary date of regular full-time employment from which the employee began receiving benefits and assumes that the employee has been in a full-time employment status (2,080 hours per year) during his/her entire tenure with Oro Loma. The total number of service years must be full years of service and there is no provision for partial years.

However, if an employee has reduced his/her work hours at any time during their employment with Oro Loma, through either a paid or unpaid leave of absence, or has/had been granted a schedule modification authorized by the General Manager which allowed a less than full-time work schedule, then total years of Oro Loma service time shall be calculated by commencing with his/her anniversary date of regular employment from which the employee began receiving benefits and shall be pro-rated by defining 2,080 paid hours as equal to one (1) service year.

An employee who works a reduced work schedule of less than 40 hours per week will need more than 52 weeks to achieve the required 2,080 hours per service year. The calculation to determine service credit for those employees in a less than full-time work status shall be done through a pro-ration process to determine total number of service years as follows:

Employee in Less than Full-Time Status - Example of 30 Hours/Week

Total number of weeks in a year	52
Multiplied by number of paid hours in a week	<u>x 30</u>
Equals total number of paid hours in a year	1,560
Number of hours to equal one service year	2,080
Number of hours worked in 30-hour week	<u>- 1,560</u>
Number of additional hours needed	520

In this 30 hrs/week example:

Number of additional hours needed	520
Divided by employee's 30 hrs/wk	<u>÷ 30</u>
Number of additional weeks needed	17.33

Therefore, an employee working 30 hours per week for a twelve-month period will need a total of 69.33 weeks in order to achieve one (1) service year. For example, 52 weeks + 17.33 additional weeks required = 69.33 weeks total required for one service year.

4. Actual Reimbursement of Post-Retirement Medical Expenses

a. Employees enrolled in the Public Employees Medical and Hospital Care Act (PEMHCA)

The reimbursement is generated from the District's Accounts Payable system, made payable to the Retiree, and mailed to the Retiree by the District on a quarterly basis. This reimbursement includes the mandatory PEMHCA Minimum Employer Contribution, which

the District is required to contribute on behalf of active employees, pursuant to its written agreement with CalPERS. The amount that Oro Loma pays directly to CalPERS on behalf of the Retiree is included when calculating the total monthly allowance. As of January 1, 2017, that amount is \$128.00 per month. The employer's mandatory contribution will be adjusted annually by the CalPERS Board of Administration to reflect changes in the medical care component of the Consumer Price Index.

Take the example of a married employee who retires and is eligible for 100% medical reimbursement of the Kaiser Bay Area two-party plan rate. Assume that the Kaiser two-party premium is \$1,500/month. The District, pursuant to its written agreement with CalPERS, must pay \$128.00 per month directly to CalPERS on behalf of the retiree. The remaining \$1,372 per month (\$1,500.00 - \$128.00) is withheld from the employee's retirement check by CalPERS, and is then reimbursed by the District to the retiree directly, on a quarterly basis. The reimbursement amount will always consist of the difference between the premium amount and the PERS-mandated Minimum Employer Contribution. Consequently, the reimbursement amounts will change when the PERS-mandated Minimum Employer Contributions change.

b. Employees not enrolled in the Public Employees Medical and Hospital Care Act (PEMHCA)

For employees for whom Board-approved agreements exist, authorizing reimbursement of post-retirement medical expenses outside of PEMHCA, the reimbursement is generated from the District's Accounts Payable system, made payable to the Retiree, and mailed to the Retiree by the District on a quarterly basis. The District requires appropriate documentation, acceptable to the District, at least quarterly prior to reimbursing retirees for out-of-pocket costs for which reimbursement is being requested. This reimbursement includes the mandatory PEMHCA Minimum Employer Contribution which the District is required to contribute on behalf of active employees, pursuant to its written agreement with CalPERS. The Minimum Employer Contribution will be adjusted annually by the CalPERS Board of Administration to reflect changes in the medical care component of the Consumer Price Index.

5. Cash-Back in Lieu of Post-Retirement Medical Coverage

A vested retired employee who elects not to receive retiree medical benefits from the District may elect, on an annual basis, to receive a "cash-back" benefit in an amount equal to one-half of the Kaiser rate based on the applicable percentage of which he/she would then otherwise be entitled to if the employee were actually enrolled in a retirement medical plan as defined in Section 2. The retiree may elect to receive cash-back in lieu of post-retirement medical coverage at intervals not less than annually, and after written notification to the District. The written notification shall be submitted to the District no later than October 31st of each year, for an effective date of January 1st the following year. The election period established by the District may be modified from time to time. This provision is intended to reduce costs to the District by incentivizing retirees not to enroll for medical coverage that they do not need. Take the example of a married employee who retires and is eligible for 80% of the two-party Kaiser Bay Area plan rate. If that same employee elects to receive a cash-back benefit in lieu of post-retirement medical benefits, then the District will reimburse the retiree one-half of the 80% entitlement.

Calculation to determine cash-back in lieu of post-retirement medical coverage:

This sample calculation assumes the example above: The retiree is married at the time of retirement, and is entitled to 80% of the benefit.

Sample Calculation:

The 2-party Kaiser Bay Area rate	\$778.76
Entitlement percentage	<u>x 80%</u>
Dollar value of benefit	\$623.01
Reduction % for cash-back in lieu of medical benefits	<u>x 50%</u>
Cash-Back entitlement	\$311.50

In the event the retired employee who has elected to receive the cash-back benefit dies, then his/her surviving spouse is entitled to receive the cash-back benefit as outlined herein and further detailed in Section 2. Said entitlement shall cease upon his/her remarriage.

6. Medicare Eligibility

Upon reaching Medicare eligibility, the medical reimbursement will be paid at the same percentage as at retirement for the employee’s selected supplemental plan premium for actual costs up to the “applicable Kaiser Bay Area Medicare rate.” The applicable rate will be based on the Kaiser Bay Area Medicare supplemental rate, or if only one spouse is Medicare age eligible, the benefit is blended to include the costs of the Kaiser Bay Area active member and Kaiser Bay Area Medicare supplemental rate. Employees shall not be eligible for reimbursement of Medicare Part B premiums, or for any other payments made to the Social Security Administration.

7. Pre-Retirement Medical Death Benefit

In the event a married employee eligible for a CalPERS retirement and post-retirement benefits under the guidelines of this Plan, dies prior to retiring from the CalPERS Retirement System, said surviving spouse shall be eligible to receive post-retirement medical benefits under the same guidelines and requirements as if the deceased spouse had actually retired on the date of death.

Example #1: If an employee hired before June 30, 2006 dies at age 54, after completing 20 years of service, the surviving spouse or eligible dependent is not eligible to receive post-retirement medical benefits.

Example #2: If an employee hired before June 30, 2006 dies at age 57, after completing 17 years of service, the surviving spouse or eligible dependent is eligible to receive 70% of the post-retirement medical benefits.

III. LEAVE

A. VACATIONS

During each calendar year, each employee shall earn 7.34 hours of vacation per month of service for the first five years of service. Commencing with the sixth year through the 15th year of service, vacation will be earned at the rate of 10.00 hours of vacation per month of service. Commencing with the 16th year through the 20th year of service, vacation will be earned at the rate of 13.34 hours of vacation per month of service. Commencing with the 21st year of service and thereafter, the

employee will earn an additional 0.67 hours of vacation per month of service, through the 25th year of service, for a maximum of 200 hours of vacation per year after 25 years of service.

Length of Service	Maximum Annual Vacation Earned (Days or Hours/Pay Period)
1 through 5 years	11 days or 3.38 hrs/pp
6 through 15 years	15 days or 4.62 hrs/pp
16 through 20 years	20 days or 6.15 hrs/pp
Beginning of 21 st year	21 days or 6.46 hrs/pp
Beginning of 22 nd year	22 days or 6.77 hrs/pp
Beginning of 23 rd year	23 days or 7.08 hrs/pp
Beginning of 24 th year	24 days or 7.38 hrs/pp
Beginning of 25 th year and thereafter	25 days or 7.69 hrs/pp

Vacations scheduled by April 30 of each year shall be approved by seniority. Vacations scheduled after April 30 shall be approved on a first come-first served basis (seniority will prevail if more than one request received on the same day). Supervisory approval, in all circumstances, shall be determined by operational staffing requirements. If the requirements of the District service are such that part or all of an employee’s vacation must be deferred beyond a particular calendar year, the employee may take vacation during the following calendar year. Vacation may not be taken until accrued.

B. MAXIMUM ANNUAL VACATION ACCRUAL

In the event an employee does not take all of the vacation to which he/she is entitled in a calendar year, he/she shall be permitted to accumulate the unused portion, provided that at no time shall he/she accrue more than 2½ times his/her annual vacation entitlement. Therefore, if and when accumulated vacation is in excess of that herein provided for, no further accumulation will be earned until the balance falls below the maximum. However, an employee may exceed the 2½ times maximum accrual not more than 12-months prior to his effective retirement date. Permission to accrue vacation in excess of 2½ times the annual entitlement may also be amended by the General Manager at any time.

When a legal holiday occurs during an employee’s vacation, the holiday shall not be charged as vacation.

Upon the resignation or retirement of an employee, the employee shall, at his/her option, either be granted time off or be paid a lump sum for all authorized accrued vacation.

C. HOLIDAYS

Employees may be required to work on holidays. If an employee is authorized to work on a holiday, he/she shall receive his/her regular pay plus one and one-half (1-1/2) times his/her regular hourly rate of pay times the hours worked on the holiday.

The prescribed holidays are:

New Year’s Day	January 1
Martin Luther King, Jr. Birthday	Third Monday in January
President’s Day	Third Monday in February

Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving Day	Fourth Friday in November
Christmas Day	December 25

When a holiday falls on a Sunday, the following Monday shall be observed. When a holiday falls on a Saturday, the previous Friday shall be observed.

In addition to the aforementioned holidays, each employee shall have seven floating holidays (56 hours) per calendar year, credited to the employee's account on the first pay period of each calendar year. A new employee, or an employee who leaves the service of the District, will receive floating holidays during the employee's year of employment on a pro rata basis (e.g., six (6) months of employment entitles the employee to 3½ holidays (28 hours)). The employee may carry over a maximum of four floating holidays (32 hours) to the next calendar year.

To be eligible for vacation, floating holiday, or compensatory time-off, the employee shall submit a written request to their supervisor as soon as possible prior to the scheduling of said leave, but no later than twenty-four (24) hours prior to the commencement of said leave. Further, leave will be granted only when there is an acceptable staffing level and without the necessity of paying overtime to another employee.

Tardiness: Employees late for work will be required to use vacation, floating holiday, or comp time off, at a minimum of 15-minute increments, to the next highest 15-minute period. Excessive tardiness will be subject to disciplinary action.

D. SICK LEAVE

Every employee shall be entitled to receive eight (8) hours of sick leave with pay for each full calendar month of regular employment in which the employee was in a pay status 160 straight-time hours or more. Sick leave may be used during probation, and employees shall earn sick leave credit from their first day of employment. Per Labor Code Sections 233-234 and 246.5, employees shall be allowed unrestricted use of up to 48 hours accrued sick leave per calendar year.

Sick leave may be taken for:

1. **An employee's illness or injury.** Satisfactory proof of the necessity for sick leave usage shall be furnished by the employee for each occurrence after the employee has used a total of 48 hours of sick leave during the current calendar year, in the form of a licensed health care practitioner's certificate, certifying that the employee was examined and was found to be unable to perform his/her regular duties. The General Manager, or his/her designee, may, at his/her sole discretion and at District expense, require an additional examination from a doctor selected by the District, which evaluates the employee's ability to perform his/her regular duties.
2. **An employee's dental, eye or other physical or medical examination or treatment by a licensed practitioner.** Leaves for this purpose are limited to four (4) hours in any one (1) working day. Satisfactory proof of necessity for sick leave usage shall be furnished by the

employee for each occurrence after the employee has used a total of 48 hours of sick leave during the current calendar year.

3. **Providing necessary care for an ill or injured spouse, registered domestic partner, parent, step-parent, child or stepchild of the employee.** Satisfactory proof of necessity for sick leave usage shall be furnished by the employee for each occurrence after the employee has used a total of 48 hours of sick leave during the current calendar year.
4. **Bereavement Leave. Leave for this purpose shall be governed by the following parameters:**
 - a. Death of a spouse, registered domestic partner, child or stepchild - Usage of up to 40 hours of sick leave; or
 - b. Death in the immediate family - Usage of up to 30 hours of sick leave.
 - c. In the event of extenuating circumstances, the employee may request the use of up to 20 additional hours of sick leave from the General Manager.The hours of bereavement leave used shall not affect the employee's eligibility for quarterly wellness awards.

Unused sick leave can be accrued to an unlimited extent.

The District takes note of the State and Federal laws regarding Family Medical Leaves.

For the purposes of this policy, any reference to "doctor" shall include any licensed health care practitioner providing services to the employee.

For the purposes hereof, "immediate family" is intended to include only the following family members: parents, siblings, grandparents, grandchildren, mother-in-law, or father-in-law of the employee, and "working day" shall be any day on which the employee is assigned to work.

E. WORKERS' COMPENSATION

In industrial injury cases, Workers' Compensation benefits and sick benefit allowances shall be paid separately, but in the event Workers' Compensation payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two (2) shall not exceed the sick benefit payable for said period, and the unused portion of accumulated sick leave will continue to be credited to the employee. Integration of sick leave benefits with Workers' Compensation payments is to be automatic. The Employer may not waive integration, and any employee entitled to Workers Compensation payments must apply therefore (in order that the principle of integration may be applied) before sick benefits are payable. The District will compensate the employee in full during the initial three (3) day waiting period for an industrial injury, and such compensation will not be charged to the employee's sick leave. Benefits will continue to be paid by the District only until the employee exhausts his/her sick leave, except as provided by the Family Medical Leave Act.

F. LIMITED-DUTY POLICY

The District reserves the right to assign employees modified work assignments for injuries or illnesses or job related injuries/illnesses after receipt of adequate medical information regarding the employee's physical limitations. It is mandatory for employees with extended injuries/illnesses, or job related injuries/illnesses, who have been released by their own treating physician and/or the District's doctor, to perform assigned work within the parameters set by the medical provider.

1. Limited-duty assignments will be considered for job-connected injuries/illnesses on a priority basis.
2. Only if there is sufficient work will employees using extended sick leave for non-job-related injuries/illnesses be considered for limited duty (per their physical limitations).

Prior to returning to full duty, the employee will be required to obtain an unconditional release from his/her or the District's doctor.

G. MILITARY LEAVE

Military leave shall be granted in accordance with the provisions of State law. All employees entitled to military leave shall give the District an opportunity within the limits of military regulations to determine when such leave shall be taken. Military employees shall assign to the District all military compensation received by the employee, which was earned while on paid military leave from the District.

H. JURY LEAVE

Every employee who is called or required to serve as a trial juror, or as a witness in a civil or criminal action to which he/she is not a party, shall inform his/her supervisor, Department Head or the General Manager as soon as the employee has been notified. While on jury duty (or serving as a witness), he/she shall be entitled to be absent from his/her duties with the District during the period requiring the employee to necessarily be present at the courthouse as a result of such call. Under such circumstances, the employee shall be paid his/her full salary, and the payment received for services, including travel and meal allowance for jury duty or court witness duty, will be retained by the employee.

I. LEAVE OF ABSENCE WITHOUT PAY

Upon the written request of an employee, the General Manager may approve, at his/her sole discretion, in writing, a leave of absence without pay for a period not to exceed six (6) months. Such leave may, by mutual agreement between the employee and the General Manager, be extended up to an additional six (6) months.

IV. HOURS OF WORK, REST PERIODS

A. HOURS OF WORK

All full-time employees will be required to work a forty (40) hour work week within a seven (7) day work period, with a designated unpaid meal period of no less than 30 minutes, commencing midnight Sunday. The District has the right to make reasonable changes in employee's work hours after meeting with the Association representative(s). However, in extenuating circumstances, and on a defined short-term temporary basis only, an employee may request in writing that his/her hours and/or days of work be adjusted to accommodate an employee's need for special time off. The Department Head may, in his/her sole discretion, grant such a request based on the recommendation of a supervisor which asserts that such a request is not in conflict with the needs of the District. If an employee's request is approved, the modified work hours or workdays shall not be subject to overtime pay. It shall also be the supervisor's privilege to discontinue this adjusted work schedule

for any employee if it is determined to be incompatible with the conduct of District business. The District reserves the right to discontinue the availability of this provision in its sole discretion at any time.

B. FLEXIBLE WORKING HOURS

The following positions are eligible for flexible working hours (Flex hours):

Safety & Special Programs Administrator
Field Engineer
Plant Chemist
Industrial Waste Inspector
Associate Engineer
Accountant
Senior Project Engineer
Junior Engineer

The Flex hours shall allow the employee to start work at anytime between 6:00 a.m. and 9:00 a.m., working 40 hours within a 7-day work period, generally 8 hours each day, in addition to the employee's lunch period. However, each individual must make arrangements and receive express approval from his/her supervisor prior to adjusting or changing work hours. Individuals participating in Flex hours acknowledge that if their presence is required to conduct District business, Flex hours may be denied or altered at any time by the supervisor. It shall also be the supervisor's privilege to discontinue Flex hours for any employee if it is found to be incompatible with the conduct of District business, subject to discussion with and approval by the General Manager.

Administrative Support Specialists are not eligible to participate in the Flexible Working Hours Program because of the public service obligations of that position.

This program relies on an honor system, and the General Manager reserves the right to discontinue the program if it is found to be disruptive to District business, or if the program is abused.

C. REST PERIODS

There shall be two paid 15-minute rest periods per shift, each approximately midway in each half of the shift according to work requirements. Work shall not cease prior to the 15-minute rest period.

When rest periods cannot reasonably be taken because of work requirements, employees requested by their supervisor to work an entire half shift without a rest period as provided by this subsection shall be credited with one half (1/2) hour of straight time.

V. SAFETY

A. UNIFORMS, SHOES, COMPUTER GLASSES, PRESCRIPTION SAFETY GLASSES

Employees who work at the treatment plant shall be provided with uniforms consisting of shirt or laboratory smock, trousers or coveralls at no cost. Protective clothing such as rubber or leather

gloves, rain gear and eye shields shall be provided where required. The employee shall, as a condition of employment, wear safety shoes.

The District shall reimburse an employee, on a fiscal year basis, \$185 for safety shoes. The District will allow shoe reimbursement on a continuous basis. The shoe allowance will be placed in a revolving account, and there will be no limit to the number of pairs of safety shoes an employee purchases, as long as the revolving account always maintains a positive balance. Reimbursement is limited to the employee's shoe account balance. The shoe allowance will be credited to the employee's account on July 1st of each year, and the reimbursement will be processed through the District's payroll system.

No uniforms or protective wear shall be removed from the premises. Uniforms will be inventoried on an annual basis.

The District shall reimburse an employee up to \$350 per calendar year for prescription safety glasses. Proof of purchase shall be required for reimbursement, as well as a doctor's note indicating the need for the employee to purchase prescription safety glasses.

Those Association employees who have been prescribed computer glasses shall be eligible for reimbursement for the actual purchase price of the computer glasses at an amount not to exceed \$300. Reimbursement is limited to every other year, and the employee may not "bank" or rollover any unused amount. In the event an employee wishes to avail him/herself to this reimbursement, said computer glasses shall from that point forward be considered a job requirement for that individual. Computer glasses shall then be worn at all times by the employee when the employee is using a computer.

B. SAFETY COMMITTEE

The Association shall appoint one representative to the District Safety Committee, who will participate in Safety Committee meetings and inspections related to District safety conditions. The Association safety representative shall suffer no loss in pay as a result of his/her safety activities.

No employee shall be expected, nor shall any employee be permitted, to perform work in an area or manner deemed to be unsafe according to the standards established by the Industrial Safety Commission of the State of California.

VI. DISCIPLINE, GRIEVANCE AND APPEAL PROCEDURE

A. DISCHARGE AND DISCIPLINE

Right of Discharge and Discipline: The District shall have the right to discipline and/or discharge any employee for the following: fraud, misrepresentation of fact, or concealment in securing appointment; incompetence and/or inefficiency (i.e., failure to skillfully perform job functions); inexcusable neglect of duty; insubordination, including improper conduct towards a supervisor, or refusal to perform tasks assigned by a supervisor in the appropriate manner; dishonesty; possession, distribution, sale, use or being under the influence of alcoholic beverages or illegal drugs while on District property, while on duty, or while operating a vehicle on District business; unauthorized, unjustified, or excessive absence, repeated tardiness; disobedience of District's safety rules,

regulations, policies, practices, house rules and procedures, including the wearing of safety equipment as directed; any such action which indicates a lack of concern for self or others; misuse, destruction, or damage of property issued by the District, another employee, or a visitor; violation of District personnel policies and rules; any other failure of good behavior or acts during duty hours, which are incompatible with public service; failure to maintain a valid California driver's license and a good driving record; theft or unauthorized removal or possession of property from the District, other employee(s), or someone else; actual or threatened physical violence toward another employee; possession or use of dangerous or unauthorized materials, such as explosives, firearms, or similar items, while on District property, while on duty, or while operating a District vehicle; harassment of another employee. Discharge or discipline of an employee shall not be in derogation of the Memorandum of Understanding, or for violating or ordering the violation of the Memorandum of Understanding.

A probationary employee's employment may be terminated for any reason, which, in the sole opinion of the District, is just and sufficient; and such termination shall not be subject to any appeal provided, however, that there shall be no discrimination against any employee as provided in section VII. Should any employee discharged during the probationary period believe himself or herself to have been subjected to such discrimination, the employee shall have the right to appeal his or her discharge.

An employee's request for Association representation at all meetings and hearings related to his/her disciplinary action or discharge will be granted.

B. GRIEVANCE PROCEDURE

A grievance shall be defined as any dispute that involves the interpretation or application of any provision of this Memorandum of Understanding.

Grievances as defined above shall be processed only in the following manner:

Step 1: The employee and/or his/her representative shall present the grievance in writing to the immediate supervisor within 30 calendar days of when a reasonable person knew or should have known of the events on which the grievance is based.

Step 2: If the grievance is not resolved within five (5) working days of the presentation under Step 1 above, the grievance shall be submitted in writing to the Department Head. Such submittal to the Department Head shall be within five (5) working days of the action by the supervisor. The Department Head shall respond within five (5) working days.

Step 3: If the Department Head cannot resolve the grievance, the employee and/or his/her representative may, within five (5) working days of the action by the Department Head, arrange a meeting with the General Manager.

Step 4: The General Manager shall respond in writing within five (5) working days after the meeting. If the matter remains unresolved, it may be submitted by the Association Representative(s); or in the case of a grievance filed by the District, to an impartial arbitrator selected by mutual agreement between the parties. If the parties cannot agree on an arbitrator, the arbitrator shall be selected from a list of names in odd numbers of no less than five (5) furnished by the American Arbitration Association, by each party alternately striking one name until a single name remains.

The Arbitration/Selection process must begin within 30 days following the General Manager's written response.

The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Association and the District. Each party, however, shall bear the cost of its own presentation, including preparation and post-hearing briefs, if any.

Decisions of arbitrators on matters properly before them shall be final and binding on the parties hereto.

No arbitrator shall entertain, hear, decide or make recommendations on any dispute involving a position over which a recognized employee organization has jurisdiction, unless such dispute falls within the definition of a grievance as herein above set forth.

Proposals to add to or change this Memorandum of Understanding, or written agreements or addenda supplementary hereto, shall not be arbitrable, and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred for arbitration under this Section. The arbitrator shall not have the power to amend or modify this Memorandum of Understanding, or written agreements, or addenda supplementary hereto, or to establish any new terms or conditions of employment.

Parties who may have direct knowledge of circumstances relating to the grievance may be present at the request of either party during any stage of the grievance procedure.

C. NO STRIKE-NO LOCKOUT

During the term of this Memorandum of Understanding, the Association will not engage in any strike, slowdown, or other work stoppage arising out of any dispute relating to the terms and conditions hereof, except that its members shall not be required to cross bona fide picket lines sanctioned by the Central Labor Council, provided that after due notice, District employees and Association members may cross picket lines to reach District facilities not involved in the primary dispute.

During the term of this Memorandum of Understanding, the District will not lock out any employee.

D. LAYOFFS/SEVERANCE PLAN

Within the classification subject to layoff, the order of layoff shall be in reverse seniority.

1. Under the Oro Loma Sanitary District Severance Plan, each eligible employee being terminated from his/her employment, due to lack of work or funds by the District, would receive not less than twenty-one (21) calendar day's notice. If such employee accepts other employment prior to termination, the terms of this severance package will not apply. Employee "bumping" rights are more specifically outlined in the District's Personnel Rules.
2. Each eligible employee employed by the District on or after December 4, 2001, and terminated by the District due to lack of work or funds by the District, would receive the sum of one (1) week's salary for every year of service (prorated to the nearest month), but in no case less than three (3) weeks salary. Severance packages may, however, be enhanced to add an additional

week per year for each of the first three years of service to Oro Loma, at the discretion of the District.

However, each eligible employee employed by the District prior to December 4, 2001, and terminated by the District due to lack of work or funds by the District, would receive the sum of one (1) week's salary for every year of service (prorated to the nearest month), but in no case less than six (6) weeks salary.

3. Eligible employees are defined as permanent, full-time employees. The severance package does not apply to employees on probation, temporary or part-time employees. The severance package also would not be available to employees who have submitted resignation or retirement papers prior to receiving a notification of layoff or bumping rights.
4. In addition to the salary provisions, the employee would receive payment for 50 percent of his/her sick leave accrued at the time of layoff.
5. Employees terminated through layoff will be eligible for State Unemployment Insurance, as well as receiving the benefits of this severance package. Employees selecting to terminate their employment may not be eligible to collect Unemployment Insurance upon resignation from District employment. The State Employment Development Department will decide such cases on an individual basis, and the determination of eligibility will be made by that agency.
6. The District would pay the employee's COBRA benefits for a period not to exceed three (3) months.
7. The District's General Manager will have authority to approve final separation dates and may, in his/her sole discretion, amend separation dates as needed to avoid undue hardship to District operations.
8. Those employees who are eligible for this severance plan will be notified by the Administrative Services representative.
9. An employee who has given satisfactory service, and who is laid off, shall be eligible for preferential re-employment in the same or other positions which require basically the same qualifications, and involve basically the same duties and responsibilities as the position from which the employee is laid off. This preferential re-employment list for employees hired after December 4, 2001, shall be in effect for a period of six (6) months; and twelve (12) months for those employees hired prior to December 4, 2001.
10. The Severance Plan outlined above is subject to discontinuance by the Board of Directors at any time.

VII. MISCELLANEOUS

A. SEPARABILITY

Should any provision of this Memorandum of Understanding be declared illegal by a court of competent jurisdiction, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provision of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect. That portion declared illegal shall be renegotiated so as to conform, as nearly as possible, to the original intent of the parties.

B. NO DISCRIMINATION

There shall be no discrimination of any kind because of race, creed, color, national origin, sex, sexual orientation, disability, or Association activities against any employee or applicant for employment by the District, or by anyone employed by the District; and to the extent prohibited by applicable State and Federal law, there shall be no discrimination because of age.

C. RETIREMENT SYSTEM

1. The retirement plan between the District and California Public Employees Retirement System (CalPERS) provides for the "2.5% @ age 55" retirement formula for all eligible employees hired prior to November 14, 2011. The final compensation for the purpose of determining the retirement allowance shall be based on the monthly average of the highest 12-month period, as calculated by CalPERS. These employees shall begin contributing to the California Public Employees Retirement System (CalPERS) a portion of the employee contribution rate established by law. The District shall deduct from the employee's salary, each pay period, the employee contribution, and shall submit said amount to CalPERS as "tax-deferred member-paid contribution." The employee's incremental contributions shall be adjusted each year for the duration of this MOU, on the date of the annual CPI adjustment provided for in Section I.A., as follows:

- a. If the CPI is equal to or less than 2.0%, the employee contribution shall be 0.0%.
Example: CPI=1.9%; employee contribution to CalPERS shall be 0.0% of compensation.
- b. If the CPI is greater than 2.0%, the employee contribution shall be 50% of the percentage above 2.0%.
Example: CPI=4.0%; employee contribution to CalPERS shall be 1.0% of compensation (50% of the difference between 4.0% and 2.0%).

The employee contribution shall not exceed 8.0% at any time.

The District shall continue to pay the difference between the CalPERS-mandated 8% employee contribution, which is part of the employee's benefit package, and the percentage paid by the employee. District contributions made pursuant to this section shall be reported to CalPERS as "employee contributions made by the contracting agency." The District will not treat these contributions as "compensation subject to income tax withholding" unless the Internal Revenue Service or Franchise Tax Board determines that such contributions are taxable income subject to withholding. In the event the contribution made to CalPERS by the District on behalf of the

employee is ever found to be illegal, the District will meet and confer with the Association Representative(s) regarding how the District's employee CalPERS contribution is to be allocated.

Each employee is solely and personally responsible for any federal, state or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

The aforesaid contribution shall be considered solely for the purpose herein and shall not be considered for any other purpose, including, but not limited to, being considered as part of any employee's salary for the purpose of computing straight-time earnings, compensation for assignment differentials, compensation for computing Workers' Compensation benefits, and the District's contribution to CalPERS. The District reserves the right to take said contributions into account for the purpose of salary comparisons with other employers.

2. Eligible employees hired after November 14, 2011 and before January 1, 2013 shall be entitled to the CalPERS retirement benefits afforded by the "2% @ age 60" formula (Classic). The final compensation for the purposes of determining the retirement allowance shall be based on the monthly average of the highest 36-month period, as calculated by CalPERS. The District shall deduct from the employee's salary, each pay period, an amount equal to the CalPERS employee contribution (7%), and shall submit said amount to CalPERS as "tax-deferred member-paid contribution." The District will not treat these contributions as "compensation subject to income tax withholding" unless the Internal Revenue Service or Franchise Tax Board determines that such contributions are taxable income subject to withholding. In the event the contribution made to CalPERS by the District on behalf of the employee is ever found to be illegal, the District will meet and confer with the Employees Association Unit Representative(s) regarding how the District's employee CalPERS contribution is to be allocated.

Each employee is solely and personally responsible for any federal, state or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

The aforesaid employee contribution shall be considered part of an employee's salary for the purpose of computing straight-time earnings, compensation for assignment differentials, and compensation for computing Workers' Compensation benefits. The District shall also take said contributions into account for the purpose of salary comparisons with other employers.

3. Eligible employees hired on or after January 1, 2013 shall be entitled to the CalPERS retirement benefits afforded by the "2% @ age 62" formula as required by the Public Employees' Pension Reform Act (PEPRA). The final compensation for the purposes of determining the retirement allowance shall be based on the monthly average of the highest 36-month period, as calculated by CalPERS. "New members" shall be subject to the contribution requirements in Section 7522.30(a) and (c) of the PEPRA. As such, "new members" shall pay at least 50% of the normal cost of their pension benefit and the District shall not pay any of the required contributions for "new members." As of the date of adoption of the MOU, the new member employee contribution is 6.5%. The District shall deduct from the employee's salary, each pay period, an amount equal to the CalPERS employee contribution (currently 6.5%), and shall submit said amount to CalPERS as "tax-deferred member-paid contribution." The District will not treat

these contributions as “compensation subject to income tax withholding” unless the Internal Revenue Service or Franchise Tax Board determines that such contributions are taxable income subject to withholding. In the event the contribution made to CalPERS by the District on behalf of the employee is ever found to be illegal, the District will meet and confer with the Employees’ Association Representative(s) regarding how the District’s employee CalPERS contribution is to be allocated.

Each employee is solely and personally responsible for any federal, state or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

The aforesaid employee contribution could be changed in the future by the CalPERS Board of Administration. The employee contribution shall be considered part of an employee’s salary for the purpose of computing straight-time earnings, compensation for assignment differentials, and compensation for computing Workers’ Compensation benefits. The District shall also take said contributions into account for the purpose of salary comparisons with other employers.

D. PAST PRACTICES

This Memorandum of Understanding does not guarantee continuance of working conditions, benefits, and practices not specifically authorized by ordinance or by resolution of the Board of Directors.

E. JOB DESCRIPTIONS AND ANNOUNCEMENTS

1. **Job Descriptions:** Copies of the job descriptions for each classification within this unit shall be posted on the bulletin boards in the area involved in the jobs described. Modifications and changes will be subject to consultation prior to adoption.
2. **Job Announcements:** All District job announcements shall be posted on the bulletin boards at least ten (10) calendar days prior to the filing deadline.
3. Employees on a probationary period employment status shall not be eligible to participate in District promotions or job classification changes. This restriction may be waived by the General Manager if, in his/her sole opinion, such waiver is warranted.

F. EMPLOYEE QUALIFICATION IMPROVEMENT PROGRAM

An employee who fails to meet the qualifications for a promotional position, or wishes to enhance job skills, may avail him or herself of the program described below to improve his or her qualifications.

For employees who wish to improve their knowledge and qualifications, the District will reimburse the employee up to \$1,500.00 per calendar year (\$5,250.00 per calendar year for professional classifications requiring a four-year degree) for meetings and courses which are approved by the District, and after evidence of successful completion of the course work with a grade of “C” or above. All District paid books, equipment and/or reference materials become the property of the District.

The District shall post on all bulletin boards all job related educational and training opportunities it becomes aware of.

Upon request, the District will provide an employee the minimum qualifications necessary to be eligible for a promotional opportunity. An employee who does not meet the minimum qualifications will be advised as to what qualification the employee has not met.

All reimbursements are subject to Internal Revenue Service regulations, and will be reported in accordance with appropriate IRS rules. Reimbursements will be made through the District's payroll or accounts payable system, after submittal of a reimbursement request, with appropriate receipts attached, and approved by the employee's supervisor/Department Head. Reimbursements will be processed on regularly scheduled payroll or accounts payable processing dates.

G. STATE DISABILITY INSURANCE

The District shall maintain a contract with the State of California to provide for the State Disability Insurance Plan for employees covered by this Memorandum of Understanding. State Disability Insurance is a plan solely funded by employee contributions, and there shall be no contributions by the District toward State Disability Insurance.

In disability cases arising outside the course of the employee's employment, State Disability Insurance benefits and sick benefit allowances shall be paid separately; but in the event State Disability Insurance payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two (2) shall not exceed the sick benefit payable for said period, and the unused portion of accumulated sick leave will continue to be credited to the employee. Integration of sick leave benefits with State Disability Insurance payments is to be automatic. The Employer may not waive integration, and any employee entitled to State Disability Insurance payments must apply for such payments. Benefits will continue to be paid by the District only until the employee exhausts his/her sick leave.

H. DEFERRED COMPENSATION

The District will contribute 0.32% of the employee's gross salary into each Association member's 457 Deferred Compensation Plan, of which the employee must match. In addition to this amount, the District will contribute \$0.50 for each \$1.00 voluntarily contributed by the employee to his/her 457 Deferred Compensation account, up to a maximum additional District contribution of \$750 per calendar year, per employee. In years one and five of this Contract, said District contribution shall be prorated to compensate for the six-month calendar period.

I. OTHER

Meals, mileage, per diem and other taxable District payments shall be payable on the regular paycheck, pursuant to Internal Revenue Service regulations and to the extent applicable, will appear on the employee's W-2 form.

The District will pay for all District approved immunizations or flu shots of the employees, and an employee will be granted up to two (2) hours paid release time to be immunized.

J. MEET AND CONFER

Except as otherwise specifically provided herein, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meet and confer. The Association shall not, during the term of this Memorandum of Understanding, demand any change therein, nor shall the District be required to meet and confer with respect to any matter. Without limiting the generality of the above, the Association, in their own behalf and on behalf of their respective members bound hereby, waive any right to demand of the other any meeting and conferring, negotiating, bargaining, or change during the life of this Memorandum of Understanding with respect to pensions, retirement, health and welfare, annuity or insurance plans, or respecting any question of wages, hours, or any other terms or conditions of employment.

VIII. DURATION

This Memorandum of Understanding shall cover the period of June 20, 2016 through June 27, 2021, provided that, by mutual agreement, it shall continue to operate after June 27, 2021, and until the parties hereto shall have entered into a new Memorandum of Understanding.

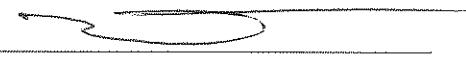
IX. RECIPROCITY

In the event any other bargaining unit at Oro Loma negotiates, in the aggregate, benefits, wages and/or working conditions other than those provided herein, a representative from the Association will be afforded the opportunity to meet and confer with the District to receive said adjustments for the Association as well. Reciprocity shall apply to employment terms common across bargaining units (e.g. across-the-board wage adjustments, Health & Welfare benefits, vacation, holidays, sick leave, retirement system, deferred compensation), and shall not apply to provisions specific to the work of each bargaining unit (e.g. shift differential, emergency response standby pay, hours of work, after-hours emergency response pay). This provision shall terminate when all represented District labor contracts have been accepted and adopted by the Board. However, the termination of this reciprocity clause shall not apply to future salary negotiations that may result solely from the minimum and maximum CPI salary indicators as outlined in Section I.A, paragraph two. In addition, and provided that all represented District labor contracts contain the same beginning and ending dates, this reciprocity clause contained herein shall be included in future Employees Association Memoranda of Understanding.

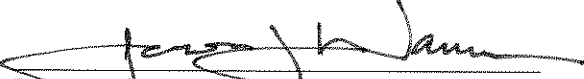
Dated: August 2, 2016

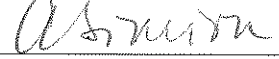
EMPLOYEES' ASSOCIATION

By:  s/ Jimmy Dang, EA Representative

By:  s/ Sara Burke, EA Representative

ORO LOMA SANITARY DISTRICT

By:  s/ Jason Warner, General Manager

By:  s/ Andreea Simion, Administrative Services Manager

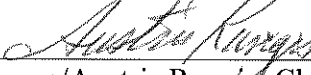
By:  s/ Austris Rungis, Chief Spokesperson

Exhibit A

Classifications in the Employees Association

Accountant
Administrative Support Specialist
Associate Engineer
Field Engineer
Industrial Waste Inspector
Junior Engineer
Plant Chemist
Safety & Special Programs Administrator
Senior Project Engineer

Monthly* Salary Schedule

Effective June 20, 2016

Range	Classification	A	B	C	D	E	F	G
ACCT	Accountant	6123	6430	6751	7089	7443	7815	8206
OFAD	Administrative Support Specialist	4315	4530	4757	4995	5244	5507	5782
ASOE	Associate Engineer	7979	8378	8797	9237	9699	10184	10693
FENG	Field Engineer	7308	7673	8057	8460	8883	9327	9793
IWIN	Industrial Waste Inspector	6550	6878	7222	7583	7962	8360	8778
JENG	Junior Engineer	6042	6344	6661	6994	7344	7711	8097
PCHM	Plant Chemist	7211	7571	7950	8347	8765	9203	9663
SSPA	Safety & Special Programs Administrator	6019	6320	6636	6968	7316	7682	8066
SPEN	Senior Project Engineer	9578	10057	10560	11088	11643	12225	12836

Note: The salaries include market adjustments for Accountant, Administrative Support Specialist, and Field Engineer, and a 2.6% CPI increase for all, as described in Section I.A. of this MOU.

* = Future salary adjustments will be processed annually in accordance with Section I.A. of this MOU.