

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made and entered in to this 15th day of March, 1991 by and between the designated representatives of the Clear Creek Community Services District (a public agency as defined in section 3501 (c) of Chapter 10 of Division 4 of Title 1 of the Government Code of the State of California), hereinafter referred to as the District, and the designated representatives of Local Union 1245, International Brotherhood of Electrical Workers (a recognized employee organization as defined in Section 3501(b) of Chapter 10 of Division 4 of Title 1 of the Government Code of the State of California), hereinafter referred to as Union;

WITNESSETH:

WHEREAS, the parties hereto desire to facilitate the peaceful adjustment of differences that may from time to time arise between them, to promote harmony and efficiency to the end that the District, the Union and the general public may benefit there from, and to establish fair and equitable wages, hours, and working conditions for certain hereinafter designated employees of the District;

NOW, THEREFORE, the parties hereto do agree as follows;

ARTICLE 1

Preamble

1.1 The parties acknowledge the provisions of Chapter 10 (Section 3500, et seq) of Division 4 of Title 1 of the Government Code of the State of California.

1.2 This Memorandum of Understanding supersedes and replaces all previous policies, practices, procedures, and terms and conditions of employment on subjects which are covered by this agreement.

1.3 It is the policy of the District and the Union not to illegally interfere with, intimidate, restrain, coerce or discriminate against any employee because of race, creed, sex, color, age, national origin, or physical handicap.

1.4 The District is engaged in rendering services to the public, and the District and the Union and the employees upon being hired by the District accept and recognize their obligation for the continuous rendition and availability of such services.

1.5 District employees shall perform loyal and efficient work and service, and shall use their influence and best efforts to protect the properties of the District and its service to the public, and shall cooperate in promoting and advancing the welfare of the District and in preserving the continuity of its service to the public at all times.

1.6 When an employee accepts employment, the employee accepts an obligation not to engage in any work stoppage, slowdown, picketing or refusal or failure to fully and faithfully perform job functions and responsibilities, or other interference with the operations of the District, including compliance with the request of other organizations to engage in such activity. The duties performed by employees of the District as a part of their employment pertain to and are essential to the operation of the District and the welfare of the public dependent thereon. During the term of this Memorandum of Understanding, employees shall not partially to totally abstain from the performance of their duties for the District. The Union shall not call upon nor authorize employees individually or collectively to engage in such activities and shall make a reasonable effort under the circumstances to dissuade employees from engaging in such activities. Those employees who do individually or collectively partially to totally abstain from the performance of their duties for the District shall be subject to disciplinary action up to and including discharge from employment without recourse.

1.7 The District will not lock out employees and prevent them from performing their duties for the District.

ARTICLE 2

Recognition

2.1 The District recognized the Union as the exclusive representative of all employees of the District who hold a classification listed on Exhibit "A" of this Memorandum of Understanding, excluding all other employees. The provisions of this Memorandum of Understanding hereinafter set forth shall apply only to those employees of the District for whom the Union is the established exclusive representative.

2.2 Official representatives of the Union will be permitted access to District property to confer with District employees on matters of employer/employee relations, but such representatives shall not interfere with work in progress without agreement of management.

2.3 The District will provide the Union adequate a bulletin board space for the purpose of posting thereon matters relating to official Union business.

2.4 The District and the Union will not interfere with, intimidate, restrain, coerce, or discriminate against any employee because of the employee's membership or non-membership in the Union or the employee's activity on behalf of the Union.

2.5 Any employee at the employees request shall be permitted representation by a Union representative. The foregoing shall apply to reprimands and disciplinary actions providing there is not unreasonable delay in obtaining representation.

ARTICLE 3

Management Rights

3.1 The District retains all of its powers and authority to direct, manage, and control District operations to the full extent of the law. Further, District rights include, by way of illustration and not by way of limitation, the following: (a) The full and exclusive control of the management of the District. (b) The supervision of all operations, methods, processes and means of performing any and all work. (c) The control of the property and the composition, assignment, direction and determination of the size and the work hours of its working forces. (d) The right to determine the work to be done by employees. (e) The right to change or introduce new or improved operations, methods, means or facilities. (f) The right to establish budget procedures and financial allocations. (g) The right to hire, classify, schedule, promote, demote, transfer, evaluate, release, lay off and increase or reduce work hours of employees. (h) The right to suspend, discipline and discharge employees. (I) The right to contract out work to be done or services to be rendered. (j) The right to otherwise maintain an orderly, effective and efficient operation.

3.2 The District's exercise of its powers, rights, authority, duties, and responsibilities, the adoption of new policies, rules and regulations, and practices in furtherance thereof, and the use of judgment and discretion in connection therewith, shall be limited only by the specific and expressed provisions of this Memorandum of Understanding, and then only to the extent such specific and express terms are in conformance with the law.

3.3 It is also agreed and understood that grievances related to this article, pursuant to Article 5, Grievance Procedure, and solely limited to whether or not the District appropriately reserved its rights. Specifically excluded from the grievance procedure are issues arising out of the exercise by the District of its discretion under this Article, including the facts underlying the exercise of such discretion.

ARTICLE 4

Union Security

4.1 Every employee covered by this Memorandum of Understanding shall, as a condition of employment: (1) Become a member of the Union and maintain the employee's membership in the Union in good standing in accordance with its Constitution and Bylaws; or (2) In the alternative an employee must tender a registration fee to the Union equal to the initiation fee required of the Union members and shall tender, monthly an agency fee in amount equal to the amount of monthly dues and per capita fees required of BA members in the employee's base wage rate.

4.2 Notwithstanding the provisions of 4.1, any employee appointed to any classification out of the bargaining unit, covered by this Memorandum of Understanding, may withdrawal from membership in Union and the employee's obligation to pay an agency fee shall be suspended for the duration of such a period as the individual is working for District in a job classification not covered by this Memorandum of Understanding.

4.3 Any employee who is or who becomes a member of Union shall, as a condition of employment, maintain the employee's membership in Union in good standing in accordance with its Constitution and Bylaws.

4.4 The District shall deduct from their wages the regular membership dues of employees who are members of the Union or agency fees of other employees as provided for in 4.1 not exempted by the provisions of 4.2 and who individually and voluntarily authorize such deductions in writing in accordance with the provisions of Section 1157.3 of the Government Code of the State of California.

4.5 Deductions shall be made from both the first and the second payroll periods of each month and a check for the total deductions shall be submitted to the Financial Secretary of Local Union 1245, IBEW, P.O. Box 4790, Walnut Creek, California 94596, within (5) working days of the date of the second deduction each month is withheld. The District shall notify the Union each month at the time of the dues or agency fee transmittal and reasons therefore.

4.6 The form of check-off authorization shall be approved by both the District and the Union.

4.7 Upon written request from the Union the District shall within 21 calendar days terminate the employment of any employee who fails to comply with the requirements of this article.

4.8 The District shall provide all new employees with Union membership application forms, payroll deduction authorization forms, and a copy of this Memorandum of Understanding on or about the first day of employment. Such materials will be furnished to the District by the Union.

ARTICLE 5

Grievance Procedure

5.1 Any grievance which may arise between the Union or any employees and the District with respect to the interpretation or application of any of the terms of this Memorandum of Understanding, and with respect to such matters as the alleged discriminatory or arbitrary discharge, demotion, or discipline of an individual regular employee shall be determined by the provisions of this Article. Probationary employees shall not be entitled to process grievances with respect to matters of discharge, demotion or discipline. This shall not, however, prevent a probationary employee from enforcing any other rights under this Memorandum of Understanding.

5.2 Step One: The initial step in the adjustment of a grievance shall be a discussion between the grievant's immediate management-level supervisor, who will answer within ten (10) days. This step shall be started within thirty (30) days of the date of the action complained of, or the date the grievant became aware of the incident which is the basis for the grievance. The step may be taken during the working hours of the grievant.

5.3 Step Two: If the grievance is not resolved in the first step, the second step shall be the presentation of the grievance in writing by the grievant, the grievant's representative or the Union's Business Representative to the District's General Manager, who shall answer in writing within ten (10) days. The second step shall be taken within ten (10) days of the date of the answer in step one. The written presentation shall be a clear, concise statement of the grievance, the circumstances involved, the pertinent dates, the decision rendered at the previous step, the section of this Memorandum of Understanding alleged to be violated, and the specific remedy sought.

5.4 Step Three: If a grievance is not resolved in the second step, the third step shall be referral by the Union to mediation within twenty (20) days of the answer in step two. Whenever a grievance is referred to mediation, either the Union or the District General Manager may request that the California State Mediation and Conciliation Service refer a state mediator. The mediator shall assist the parties in the resolution of the grievance in the same manner as that which is normally used in the mediation of interest disputes. Referral to step four shall not occur

until a mediator has released the parties from the mediation process.

5.5 (a) Step Four: If a grievance is not resolved in step three, then step four shall be referral by the Union to arbitration. Step four shall be referral by the Union to arbitration. Step four shall be taken within twenty (20) days of the answer in step three.

5.5 (b) An arbitrator shall be appointed on each occasion that a grievance is submitted to arbitration. In the event that the District and the Union are unable to agree on the selection of an arbitrator, they shall request the State of California Mediation and Conciliation Service to nominate five (5) persons to be the arbitrator. The District and the Union each will alternately challenge two of such nominees, the party having the first challenge to be determined by lot. The remaining nominee shall be accepted as the arbitrator and the arbitrator's compensation and expenses shall be bore equally by the District and the Union. The District and the Union shall pay the compensation and expenses of their respective appointees and witnesses. At Union's request and expense the District shall release from duty to participate in arbitration proceedings employees necessary to the adjudication process.

5.5 (c) The arbitrator shall hold such hearings and shall consider such evidence as to the arbitrator appears necessary and proper. The decision of the arbitrator shall be final and binding on the District, the Union and the grievant, provided, however, that such decision does not in any way add to, disregard, or modify any of the provisions of this Memorandum of Understanding.

5.6 Failure by the grievant or the Union to meet any of the aforementioned time limits will result in forfeiture of the grievance except, however, that the aforementioned time limits may be extended by mutual agreement. Failure by the District to meet any of the aforementioned time limits will allow the grievant or the Union to proceed to the next step of the established procedure.

5.7 Neither the grievant nor the Union shall interfere with the right of the District to proceed in carrying out its management responsibilities subject to a final decision on the grievance. In the event the grievance involved an order, requirement, or other directive, the grievant shall fulfill or carry out such order, requirements, or directives pending the final decision of the grievance.

5.8 Notwithstanding the aforementioned procedure, any individual employee shall have the right to present grievances to the District and to have such grievance adjusted without the intervention of the Union, provided, however, that the adjustment shall not be inconsistent with this Memorandum of Understanding and provided, further, that Union's Business Representative shall be given an opportunity to be present at such adjustment. Grievances settled by individual employees without representation by Union Officials shall not bind either party to an interpretation of this Memorandum of Understanding.

ARTICLE 6

Safety

6.1 The District desires to maintain a safe place of employment for District employees and to that end District management shall make all reasonable provisions necessary for the safety of employees in the performance of their work.

6.2 Regular safety meetings will be held at least every other month for the purpose of reviewing accidents and preventing their recurrence, eliminating hazardous conditions and familiarizing employees with safe work procedures and applicable state safety orders, and for training and first aid.

6.3 Regular “tailgate” safety meetings will be held at all job sites to plan the job and to emphasize safety in its performance.

6.4 All supervisors are responsible for safety in their area of responsibility. The highest level of employee at any particular work site will be responsible for safety at that location.

6.5 All employees shall follow safety rules, procedures, and laws, and will exercise good judgment and maintain a positive safety attitude.

6.6 Any employee suffering an injury or illness on the job shall immediately report such injury or illness to the employee’s immediate supervisor and complete the proper accident and illness reporting forms.

6.7 All employees are responsible for reporting unsafe conditions, procedures, or work practices, and for immediately reporting any accident which occurs, and for assisting fellow employees in minimizing hazards.

6.8 All employees shall wear hard hats while exposed to potential for head injury.

6.9 All employees shall wear seat belts while driving or operating any District vehicle.

6.10 The District will provide as needed brightly colored (yellow, orange or red) shirts, vests, raincoats, or jackets, as applicable, and all field personnel will be required to wear them when necessary in field work.

6.11 Employees who are assigned to vehicles or equipment are responsible for maintaining such vehicles and equipment in safe operating conditions, and are required to immediately report any unsafe situation to their supervisor.

6.12 All employees are required to comply with additional safety rules and procedures, other than those set forth in this Memorandum of Understanding as established by the District from time to time for special work situations.

6.13 The employee in charge of any work location on a roadway is responsible for protecting the work site by proper barricading and signing or use of flagmen.

6.14 Whenever the District provides protective clothing or uniforms, the employees will be required to wear them as directed by the District. The maintenance of uniforms will be the employee's responsibility.

ARTICLE 7

Industrial Disability

7.1 Whenever an employee is absent from work as a result of a work related disability and is receiving temporary disability indemnity payments provided for by the Labor Code of the State of California, such employees may elect to utilize disability insurance (as provided by the insurance program), accumulated sick leave, compensatory time off for overtime work, and accumulated vacation credits, if applicable, to supplement employee's temporary disability indemnity payments up to a maximum of seventy-five percent (75%) of the employee's full salary. Following exhaustion of accumulated sick leave credits, the employee shall use any compensatory time off credits prior to utilizing accumulated vacation credits for the purpose of supplementing temporary disability indemnity payments. During the time an employee is receiving temporary disability, indemnity payments which are supplemented by disability insurance, accumulated sick leave, vacation, or compensatory time off, if applicable, the employee shall continue to accumulate additional vacation and sick leave credit, and is entitled to continuation of the employee's insurance benefit program. Following exhaustion of all accumulated paid time off benefits, an employee's insurance benefits shall be continued for a

maximum of three (3) full calendar months following the date of exhaustion of other forms of District paid time off. Holidays which occur during the period for which employee is receiving temporary disability indemnity payments shall be recognized by such employees as holidays for compensation purposes up to a maximum of seventy-five percent (75%) of full pay.

7.2 An employee who is absent by reason of industrial disability may be returned to work by the District and given temporary light duties within the employee's ability to perform with the consent of the employee's physician. The duration of any such period of temporary work shall be determined by the District. Such employee shall be compensated at the then current rate of pay of the employee's regular classification while engaged in such temporary duties. The District may require an employee requesting to return to work after an absence caused by disability or illness to submit to a medical examination by a physician or physicians approved by the District for the purpose of determining that such employee is physically and mentally fit and able to perform the duties of the employee's position without hazard to the employee or to employee's fellow workers.

ARTICLE 8

Employee Status

8.1 Employees will be designated as regular, probationary, full-time temporary, or part-time, depending upon the purpose for which they are hired and their length of continuous service with the District.

8.2 A regular employee is defined as an employee who has six (6) months or more seniority with the District in continuous full-time probationary employment.

8.3 A probationary employee is defined as an employee hired for a full-time position that has been regularly established as an authorized position by the Board of Directors and is of an indeterminate duration. A probationary employee shall receive not less than the minimum wage rate for the job, and shall be eligible for sick leave pay, vacation pay, holiday pay, retirement plan participation, insurance coverage, and items of a similar nature as the employee becomes eligible, but shall not be eligible for a leave of absence. Upon completion of six (6) months of continuous full-time service with the District, a probationary employee shall be given the status of a regular employee. Notwithstanding any other provision of this Article, an employee's probationary period shall be extended by the duration of any unpaid absence of ten (10) or more consecutive workdays.

8.4 A full-time temporary employee is defined as an employee hired for occasional or seasonal work for a period not to exceed six (6) months. A full-time temporary employee shall receive not less than the minimum wage rate for the job, but shall not be eligible for any insurance coverage, retirement plant participation, or items of a similar nature, nor shall the employee accrue seniority or leave of absence rights. If a full-time temporary employee is

reclassified to probationary status, the employee shall not be credited with any full-time temporary service in determining eligibility for benefits, if any, as may accrue to the employee in the new status.

8.5 A part-time employee is defined as an employee hired for occasional or seasonal work or for employment of less than eight (8) hours per day or less than five (5) days per week, or whose work period is not regularly scheduled and who normally works less than full-time. A part-time employee shall receive not less than the minimum wage rate for the job, but shall not be eligible for employee benefits such as sick leave pay, holiday pay, vacation pay, or item of a similar nature nor shall the employee be eligible for insurance coverage or retirement plan participation, accrual of seniority, or leave of absence rights. If a part-time employee is reclassified to full-time temporary or probationary status, the employee shall not be credited with part-time service in determining eligibility for benefits, if any, as may accrue to the employee in the new status.

8.6 All promotional appointments will be probationary for three (3) months. Whenever an employee's promotional employment is terminated during the probationary period, the employee shall either be terminated, return to the previous classification, or assigned to another mutually agreeable classification as determined by the District's General Manager.

ARTICLE 9

Wages and Classifications

9.1 Employees shall be paid the wage established for their classification. Upon initial appointment to a classification an employee shall normally be paid the lowest wage rate for that classification. An employee may, however, be paid a wage rate above the lowest wage rate if circumstances justify it. When an employee is appointed to a classification which has a wage range overlapping the wage range of the employee's previous classification, the employee shall be paid at the wage rate of the classification to which the employee is being appointed, which is next higher to employee's present wage rate, but not more than the top wage rate of the classification to which the employee is being appointed. After one full year of employment on wage steps 1 or 2 and with employee evaluations of satisfactory or better, and with approval of the District's General Manager, an employee shall be advanced to the next wage step effective the first day of the period following completion of one full year of service in the previous step.

9.2 Wages shall be paid every other week on Friday for a pay period ending at midnight on the previous Thursday. If a payday falls on a holiday, payment shall be made on the preceding workday.

9.3 Attached hereto and made a part hereof is Exhibit "A" titled Schedule of Classifications and Wage Rates".

9.4 Attached hereto and made a part hereof is Exhibit "B" titled "Classification Specifications". The job definitions included therein are intended to be general guidelines regarding the duties to be performed by a particular classification of employee and are not to be construed as restrictions on the duties an employee may normally perform. Any employee may be assigned to perform the duties of a classification which has an equal or lower wage rate.

ARTICLE 10

Hours and Overtime

10.1 Each employee shall report for work at the employee's regularly established headquarters and shall return thereto at the conclusion of the day's work, except as otherwise directed by the District. The time spent in traveling between such headquarters and the job site shall be considered as time worked.
work

10.2 Except as otherwise provided by the District a workweek is defined to consist of seven (7) consecutive calendar days, Sunday through Saturday, and a basic workweek is defined to consist of five (5) workdays of eight (8) hours each, with an uncompensated meal break near the middle of the work shift. The basic workweek may begin on any day of the week or at any hour of the day during the workweek. The basic workweek shall normally be Monday through Friday, 8:00 am to 12:00 noon and 1:00 PM to 5:00 PM, except as otherwise established by the District. Full-time employees shall be entitled to one (1) fifteen (15) minute compensated rest break before the meal period and one (1) fifteen (15) minute compensated rest break after the meal period. Part-time employees who work less than eight (8) hours per day shall be entitled to one (1) fifteen (15) minute rest break per day. Rest breaks shall be observed near the middle of the work period or as determined by the employee's immediate supervisor. Missed rest breaks shall not accumulate nor be used to shorten the workday nor lengthen the meal break. The work schedule may be modified from time to time by the District as required by the needs of the service.

10.3 Except as otherwise provided by the District, overtime is defined as (a) time worked in excess of eight (8) hours on a scheduled workday, time worked in excess of forty (40) hours in a workweek, time worked on a non workday, time worked outside of regular hours on a workday, and time worked on a holiday. Overtime shall be computed to the nearest one-quarter (1/4) hour.

10.4 Compensation for overtime work shall be paid at one and one-half (1 1/2) times the employee's regular rate of pay, or upon request of the employee and with the General Manager's approval, the employees will receive time off with pay at the rate of one and one-half (1 1/2) hours off for each overtime hour worked. Compensatory time off with pay shall be scheduled in the same manner as vacation is scheduled. Employees whose employment with

the District is terminated for any reason shall, at the time of termination, receive any unused compensatory time off previously earned.

10.5 Employees who are required to report for work on their non-workdays, or outside of their regular hours on workdays, shall be paid overtime compensation or be credited with compensatory time off for the actual time worked, but in no event for less than two (2) hours. Notwithstanding the foregoing, however, employees shall be entitled to only one (1), two (2) hour minimum period of compensation during each twenty-four (24) hour calendar day, midnight to midnight. If an employee who is called out for such work outside of the employee's regular hours on a workday continues to work into the employee's regular hours, the employee shall be paid overtime compensation or be credited with compensatory time off only for actual overtime worked. If an employee performs overtime work immediately following the end of the employee's regular shift, the employee shall be paid overtime compensation or be credited with compensatory time off only for the actual overtime worked.

10.6 Overtime work shall be distributed as equitably as is practicable among those employees who are qualified and available for overtime work. Nothing contained herein, however, shall preclude the assignment of overtime work which is a condition of employment.

10.7 Employees who are required to be on-call during non-duty hours in a manner which is not compensated time under the Fair Labor Standards Act shall receive compensation for being on-call at the following rates: 1) \$10.00 for being on-call during the non-duty work hours on a regular work day; 2) \$25.00 per day for being on-call during a non-workday other than a holiday, and; 3) \$35.00 per day for being on-call for each District holiday. Whenever an employee is on-call awaiting duty, the employee shall be compensated as set forth in Sections 10.4 and 10.5 above.

ARTICLE 11

Seniority

11.1 Seniority is defined as total length of continuous service with the District. In determining an employee's seniority, the continuity of the employee's service will be deemed to be broken by termination of employment by reason of: 1) resignation; 2) discharge for cause; 3) layoff for more than six (6) consecutive months; 4) failure to return immediately on the expiration of a leave of absence or acceptance of other full-time employment while on leave, or; 5) absence without pay without a leave of absence in excess of five (5) workdays. Continuity of service will not be broken and seniority will accrue when an employee is: A) inducted, enlists, or is called to active duty in the armed forces of the United States or service in the Merchant Marine under any act of Congress which provides that the employee is entitled to re-employment rights; B) on duty with the National Guard; C) absent due to industrial injury; D) on leave of absence, or; E) absent due to layoff for a period of less than six (6) consecutive months.

ARTICLE 12

Promotions and Assignments

12.1 All promotions and assignments shall be in accordance with standards and procedures as determined by the District from time to time.

12.2 The District's General Manager shall establish the methods of recruitment and advertisement for any position vacancies as well as the criteria for screening applicants for position vacancies, as may be appropriate from time to time. The General Manager, in establishing applicant screening criteria may use such things as written examinations, oral board examinations, review of application data, background investigations, previous employment history, education, and any other criteria as he deems appropriate.

12.3 The General Manager may assign employees between locations or classifications in a manner which best meets the needs of the District service.

12.4 It is the District's policy not to engage in nepotism in the selection of employees. Whenever two (2) District employees marry each other, or establish a relationship substantially equivalent to marriage, one employee must resign from the District within thirty (30) days of the establishment of the relationship providing the policy is legally permissible.

ARTICLE 13

Demotion Displacement and Layoff

13.1 Whenever it becomes necessary to layoff regular employees the District will give employees involved as much notice as possible, but in no event will such employees receive less than two (2) weeks notice of layoff. Where probationary or temporary employees are to be laid off, no notice of layoff need be given.

13.2 The order of layoff of employees shall be established by the District's General Manager on the basis of an employee's skills, abilities, and efficiency and value to the District as established by the General Manager.

13.3 Regular employees who are laid off will be given preference in filling future vacancies in the classification from which they were laid off for a period of up to six (6) months, providing they keep the District advised of their current address. Rejection of an offer of re-employment will cause the employee's name to be removed from the re-employment list.

13.4 Whenever it becomes necessary to curtail services, the District may either layoff employees or reduce work hours of employees as determined by the needs of the service to the District.

ARTICLE 14

Leave of Absence

14.1 Leave of absence may be granted to regular employees by the Board of Directors for urgent and substantial reasons, for up to a maximum of one (1) year, providing satisfactory arrangements can be made to perform the employee's duties without undue interference with the normal routine of work. Leaves for up to sixty (60) days may be granted on the same basis as set forth above by the District's General Manager.

14.2 A leave of absence will commence on and include the first workday on which an employee is absent and terminates with and includes the workday preceding the day the employee returns to work.

14.3 All applications for leave of absence shall be made in writing except when the employee is unable to do so. The conditions under which an employee will be restored to employment on the termination of leave of absence shall be clearly stated by the District in conjunction with the granting of a leave of absence. Upon an employee's return to work after a leave of absence, the employee will be reinstated to the employee's former position and working conditions providing that the employee is capable of performing the duties of the employee's former position; except that if there has been a reduction of forces, or if the employee's position has been eliminated during said leave, the employee will be returned to the position the employee would be in had the employee not been on a leave of absence, or to some other position as determined by the District's General Manager.

14.4 An employee's status as a regular employee will not be impaired by such leave of absence, and his seniority will accrue.

14.5 If an employee fails to return immediately on the expiration of the employee's leave of absence or if the employee accepts other full-time employment while on leave, the employee will thereby forfeit the leave of absence and terminate the employee's employment with the District.

14.6 Except as otherwise provided in this section, an employee on a leave of absence as provided herein shall not accrue vacation or sick leave benefits, nor maintain group insurance coverage. An employee may, however, at the employee's option and expense maintain the employee's group insurance coverage providing the full monthly premium is received by the District on or before the first day of the month for which the premium is intended.

ARTICLE 15

Expenses

15.1 Employees who are assigned to temporary work at such distance from their regular headquarters that it is impractical for them to return thereto each day, or to their regular place of residence, will be allowed actual personal expenses.

15.2 Whenever any employee uses the employees personal automobile for the District's convenience the employee will be reimbursed, therefore, at the rate per mile as established by the Internal Revenue Service from time to time.

ARTICLE 16

Sick Leave

16.1 Sick leave with pay shall be accumulated for each regular and probationary employee at the rate of four (4) hours for each bi-weekly pay period of major portion thereof.

16.2 Except as provided by Section 7.1, sick leave shall be allowed for a non-work related absence due to: (a) the inability to an employee to be present or perform the employee's duties because of personal illness, off-duty injury, or confinement for medical treatment; (b) personal medical or dental appointments, which are impractical to schedule outside of regular working hours. The employee shall not be entitled to receive both disability insurance and full sick leave pay for the same time period.

16.3 Management may require satisfactory evidence of sickness or disability before payment for sick leave will be made. The District, at its expense may also require an employee requesting to return to work after sick leave or leave of absence for medical reasons to submit to a second medical examination by a physician or physicians approved by District for purpose of determining that such employee is physically fit and able to perform the duties of the employee's former position without hazard to the employee, or to the employee's fellow workers, or to the employee's own permanent health.

16.4 If a holiday which an employee is entitled to have off with pay occurs on a workday during the time an employee is absent on sick leave, the employee shall receive pay for the holiday as such, and it shall not be counted as a day of sick leave.

16.5 Whenever any employee retires or dies, the employee or the employee's estate shall be paid an amount equal to one hundred percent (100%) of the value of the employee's accumulated sick leave benefits, with compensation based on wages at that time. Whenever an employee leaves the service of the District by any other way than as set forth above, the employee shall be paid an amount equal to fifty (50%) of the value of the employee's accumulated sick leave benefits, based on the employee's wages at that time.

16.6 Regular and probationary employees who are absent from work due to the death of a member of the employee's "immediate family" may use bereavement leave for the time necessary to be absent from work, but not to exceed twenty four (24) working hours. "Immediate family" as used herein includes only employee's spouse, children, grandchildren, brothers, sisters, parents or grandparents of either spouse or any other person who is legally dependent upon the employee.

16.7 Whenever any regular or probationary employee is absent from work due to the death of any other person, other than as set forth above, the employee may use accumulated sick leave benefits, if any, at the regular rate of pay for the time necessary to be absent from work but not to exceed eight (8) working hours.

ARTICLE 17

Holidays

17.1 Regular and probationary employees except as otherwise provided herein, shall be entitled to have the following holidays off with pay:

- (a) New Year's Day
- (b) Dr. Martin Luther King, Jr.'s Birthday
- (c) Lincoln's Birthday
- (d) Washington's Birthday
- (e) Memorial Day
- (f) Independence Day
- (g) Labor Day
- (h) Admission Day
- (i) Columbus Day
- (j) Veterans Day
- (k) Thanksgiving Day
- (l) Friday after Thanksgiving
- (m) Christmas Day

If any of the foregoing holidays falls on a Sunday, the Monday following shall be observed as the holiday, except by those employees who are regularly scheduled to work on Sunday other than on an overtime basis. Employees who are regularly scheduled to work on Sunday shall observe such holidays on Sunday. If any of the foregoing holidays falls on a Saturday, the preceding Friday shall be observed as the holiday, except by those employees who are regularly scheduled to work on Saturday other than on an overtime basis. Employees who are regularly scheduled to work on Saturdays shall observe such holidays on Saturday. If any of the foregoing holidays fall on any day from Monday through Friday, inclusive, and that day is a regularly scheduled non-workday for an employee, such employee shall be entitled to receive another workday off with pay, to be scheduled in the same manner as vacation days are normally

scheduled.

17.2 Notwithstanding the foregoing, employees may be scheduled to work on holidays, in which event any such employee will, in addition to the employee's holiday pay, be compensated therefore at the overtime rate for pay for all time worked on such days.

17.3 If an employee is in a non-pay status on both workdays immediately adjacent to the holiday, the employee shall not receive pay for the holiday.

ARTICLE 18

Vacations

18.1(a) Regular and probationary employees of the District shall accrue vacations with pay as follows, at the rate of three (3) hours for each bi-weekly pay period or major fraction thereof from the date of employment through the third year of continuous full-time employment.

18.1(b) At the rate of six (6) hours for each bi-weekly pay period or major fraction thereof from the third (3rd) employment anniversary date through the fourteenth (14th) year of continuous full-time employment.

18.1(c) At the rate of eight (8) hours for each bi-weekly pay period or major fraction thereof from the fifteenth (15th) employment anniversary date and thereafter.

18.2 Vacation cannot be accrued while an employee is in a non-pay status.

18.3 Vacations will be scheduled at the request of the employee by the District's General Manager, consistent with the needs of District service.

18.4 Probationary employees will not be entitled to take vacations off with pay nor receive pay for unused vacation upon severance of employment.

18.5 The District will not require an employee to take employee's vacation in lieu of sick leave pay.

18.6 If a holiday which an employee is entitled to have off with pay occurs on a workday during the time an employee is absent on vacation, the employee shall receive pay for a holiday as such, and it shall not be counted as a day of vacation.

18.7 Regular employees whose employment with the District is terminated for any reason shall at the time of termination received any unused vacation allowance previously earned.

18.8 Employee's accumulated vacation credits shall not exceed 240 hours at any time. The District may, however, at its sole discretion waive the limit as established above if the employee was previously denied the opportunity to use vacation credits as a result of work load, staffing needs, denial of overtime work, or other similar causes.

ARTICLE 19

Jury Duty

19.1 A regular or probationary employee who is summoned for jury duty and is thus unable to perform the employee's regular duties will be paid for the time lost at the employee's regular rate of pay providing the employee assigns the jury duty pay, less expenses, over to the District.

ARTICLE 20

Employee Evaluations

20.1 Each employee shall be evaluated in writing by their supervisor at least once each year or more often as determined to be necessary. The supervisor shall discuss the evaluation with the employee and shall provide the employee a copy of the written evaluation. The employee shall have the right to respond and to attach a written response to the evaluation, but shall not have the right to file a grievance challenging the judgment of the evaluator.

20.2 Probationary employees shall be evaluated at least three times, or more frequently as determined by the employee's supervisor, prior to attaining regular status.

ARTICLE 21

Employee Discipline

21.1 During the probationary period, any employee shall be subject to disciplinary action, including termination, and shall not have the right to a hearing nor the right to file a grievance with respect thereto. Upon completion of the probationary period employees shall be subject to disciplinary action for just cause as prescribed herein.

21.2 The District has the right to take appropriate disciplinary action against regular status employees including, but not limited to, oral or written reprimand, suspension with or without pay, retention on the same step of the salary schedule, transfer, demotion and discharge.

21.3 Nor disciplinary action shall be taken for any cause which arose prior to the employee becoming regular, unless such cause was concealed or not disclosed by such employee when it can be reasonably assumed that the employee should have disclosed the facts to the District. Causes for disciplinary action include, but are not limited to, the following:

A. Conviction of any criminal act amounting to a felony which is work related and/or which is publicized and/or adversely affects the public image of the District;

B. Falsification of information contained in the application for employment or regarding any condition of employment;

C. Theft, dishonesty or misappropriation of District property or property of others for personal gain;

D. Incapacity due to mental or physical disability as substantiated by a District approved doctor. In the event of disagreement between the District approved doctor and the employee's doctor, a third doctor shall be chosen by the determination as to the mental or physical capacity of the employee;

E. Insubordinate acts including but not limited to:

1. Refusal to follow a reasonable order;
2. Refusal to perform the job as required;
3. The use of foul or abusive language toward supervisor, fellow employees, or the public;
4. Incompetence or inefficiency in work performance.

F. Introducing, possessing or using narcotics, alcoholic beverages, or illegal drugs on District property or reporting to work under the influence of such drugs, narcotics or alcohol.

G. Reporting to work under the influence of any chemical substance which impairs an employee's ability to perform.

H. Willful neglect of duty resulting in poor performance on the job which reflects adversely upon the District and its employees.

I. Violations of rules and regulations.

J. Absence without leave or excessive absence and/or tardiness without prior approval of the supervisor and notification to the supervisor within thirty (30) minutes of the start of the employee's workday or as soon as possible thereafter on the day of absence or tardiness.

K. Excessive incoming or outgoing personal telephone calls.

L. Selling and/or soliciting by employees on District premises without prior approval of the supervisor.

M. Harassing or interfering with another employee's performance of duties.

N. Requesting sick leave or workers' compensation benefits when not ill nor injured, nor entitled to such benefits.

21.4 Prior to the imposition of discipline of a regular status employee other than an oral or written reprimand or a suspension of five (5) or fewer days, the District shall serve personally on the employee or mail to the employee's last known address by registered mail a Notice of Proposed Disciplinary Action containing the specific charges in writing, stating the cause for the disciplinary action, the proposed type of discipline, as well as copies of any documents or evidence proposed to be used against the employee. The notice shall indicate the effective date of the disciplinary action and shall contain a statement of the rights to a hearing on such charges, and the right of representation. Without consent of the employee, such hearing shall not be held less than five (5) calendar days of service of the notice on the employee. Failure of the employee to file a request for hearing within five (5) calendar days of service of the notice shall constitute a waiver of the employee's right to a hearing. In the event that the employee does so appeal, the General Manager shall hear the appeal and shall notify the employee in writing of the disposition of the appeal.

ARTICLE 22

Miscellaneous

22.1 A. Whenever any employee completes a course of instruction related to the employee's duties and beneficial to the District, with prior approval of the General Manager, the District will reimburse the employee up to one hundred fifty dollars (\$150) for the employee's expenses for book and tuition.

B. Whenever an employee successfully completes a course of instruction related to the employee's duties and/or beneficial to the District, equal to forty or more hours or three semester units, the employee may initiate a request to the Board of Directors for a one time reimbursement of \$100.

22.2 Whenever the District requires an employee to obtain a higher class of State Driver's License and the employee is therefore required to have a physical examination the District shall pay for the required physical examinations and the California license fee.

ARTICLE 23

Employee Benefit Programs

23.1 Retirement Plan: All regular and probationary employees are covered by a State and California Public Employees Retirement System program pursuant to an existing contract with the Public Employees Retirement System. The program is 2.5% at 55. The District pays the current employee's full cost of participation. All employees hired after July 1, 2004 will be required to pay the employee's share of retirement of 8%.

23.2 Deferred Compensation Plan: All employees are eligible to enroll in the PERS 457 Deferred Compensation Plan. They may have withheld, up to the annual eligible amount under the applicable IRS code, pre-tax, from their paycheck. There is no minimum amount required to be eligible to enroll.

23.3 Group Insurance: All regular employees and probationary employees are eligible to participate in a group insurance benefit program. The benefits will be effective the first day of the month following completion of one (1) full month of employment. The District pays the full cost of the benefits for both employees and their dependents. The major elements of the group insurance program are:

1. Health Benefits - Benefit year cash deductible from PERS Choice-\$1000 per person; from a non-provider-\$1000 per person, maximum three deductibles. Encounter fee for each visit to provider doctor's office \$20. Co-payment for covered hospital charges from preferred provider-\$100; from other provider 20%. Co-payment for covered doctor's charges from preferred provider-none; from other provider, 20%; for other covered charges, 20%. Out of pocket limit per person per benefit year \$1,000, maximum for family \$3,000. Lifetime payment limit on most injuries and sicknesses-\$1,000,000. Some provisions have benefit year or treatment period limits.

2. Dental Benefits - No deductible and 100% of UCR for prevention services, \$50 deductible and 80% of UCR up \$1,000 per person per year for regular dental repair expenses. Special dental expenses are payable at 50% of UCR.

3. Long Term Disability Insurance - After a three-month waiting period, 66 2/3% of the first \$2,250 monthly earnings plus 50% of the next \$1,000 in excess of \$2,250 of an employee's salary integrated with all other income benefits payable to age 65. Includes life insurance for each employee equal to one (1) year of salary up to a maximum of \$50,000.

4. Vision Benefit Program - Vision Service Plan B, with a twenty five dollar (\$25) deductible.

23.2(b) Notwithstanding the foregoing provisions set forth in 23.3(a), however, the District may in its sole discretion elect to change insurance carriers, claims administrators, or to become self-funded for any or all of the foregoing benefits set forth in 23.2(a).

ARTICLE 24

Entire Agreement

24.1 The parties acknowledge that during the negotiations which resulted in this Memorandum of Understanding each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the scope of negotiations, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Memorandum of Understanding. Therefore, the District and the Union, for the duration of this Memorandum of Understanding, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain with respect to any subject or matter referred to, or covered in this Memorandum of Understanding, or with respect to any subject or matter not specifically referred to, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Memorandum of Understanding.

ARTICLE 25

Term

25.1 This Memorandum of Understanding, having taken effect as of March 15, 1991 shall continue in full force and effect until the first day of July, 2010 and thereafter from year to year unless written notice from year to year unless written notice of change or termination shall be given by either party ninety (90) day prior to the expiration date above or the expiration date of any year thereafter, except, however, that it shall only become effective with approval of the Board of Directors of the District.

25.2 Whenever notice is given for changes, the general nature of the changes desired must be provided and until a satisfactory conclusion is reached in the matter of such changes, the original provision shall remain in full force and effect.

25.3 This Memorandum of Understanding shall not be amended or supplemented except by agreement of the parties hereto, reduced to writing and duly signed by each.

25.4 Any provision of this Memorandum of Understanding which may be in conflict with any Federal or State law, regulation or executive order shall be suspended and inoperative to the extent of and for the duration of such conflict; the balance of the Memorandum of Understanding , however, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding as of the day and year first above written.

DISTRICT

UNION

/s/ Char Workman-Flowers

/s/ Richard L. Ordway

Char Workman-Flowers,
Office Manager

Richard L. Ordway,
Negotiating Committee Member

/s/ William R. Suppa

/s/ Jack Osburn

William R. Suppa,
General Manager

Jack Osburn,
Business Representative

/s/ Charles R. Reynolds

/s/ Jack McNally

Charles R. Reynolds,
District Representative

Jack McNally,
Business Manager

/s/ Lawrence A. Russell

/s/ Howard Stiefer

Lawrence A. Russell,
Board Chairman

Howard Stiefer,
President

IN WITNESS WHEREOF, the parties have executed the amendments to this Memorandum of Understanding as of this _____ day of _____, 1998, to be effective July 1, 1998.

DISTRICT

UNION

Char Workman-Flowers,
General Manager

Richard L. Ordway,
Negotiating Committee Member

Charles R. Reynolds,
District Representative

Kurt M. Born,
Negotiating Committee Member

Lawrence A. Russell,
Board Chairman

Jack Osburn,
Business Representative

Jack McNalley,
Business Manager

Howard Stiefer,
President