

MEMORANDUM OF UNDERSTANDING

between

THE NORTHERN CALIFORNIA POWER AGENCY

and

IBEW LOCAL 1245

DECEMBER 30, 2012 - DECEMBER 26, 2015



MEMORANDUM OF UNDERSTANDING

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MEMORANDUM OF UNDERSTANDING

WITH

IBEW LOCAL 1245 AND NCPA GEOTHERMAL FACILITIES AND COMBUSTION TURBINE PROJECTS EMPLOYEES

This Memorandum of Understanding is made and entered into by and between the Northern California Power Agency (hereinafter "Agency") and the IBEW Local 1245 (hereinafter " Union") on behalf of all employees of the Agency represented by the Union pursuant to California Government Code Section 3500 et seq. and Agency's Employer-Employee Relations Resolution (Policy No. 400-35-55).

If a provision of this MOU violates any State or Federal Law, the law will prevail and the remaining portions of this MOU shall remain in full force and effect.

The parties have met and conferred in good faith regarding employment terms and conditions of the employees represented by the Union and, having reached agreement on employment benefits and conditions, shall submit this Memorandum of Understanding to the Agency Commission with the joint recommendation that the Commission resolve to adopt its terms and conditions and take such other action as may be necessary to implement its provisions.

Section 1 Recognition

The Agency formally recognizes the Union as the exclusive representative of those employees occupying the job classifications set forth in Exhibit A to this Agreement. All other provisions of an Agency shop arrangement shall be administered as indicated in the Meyers-Milias-Brown Act, section 3502.5 some of which is outlined below:

1.1 Agency Shop Dues/Fees

Agency Shop means that a regular full-time or part-time employee who is not on unpaid leave of absence, as a condition of continued employment and within ninety days of his/her hire date, either join the Union or pay the Union a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the Union.

1.2 Religious Objections to Dues/Fees

Any employee who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee unions shall not be required to join or financially support any union as a condition of employment. The employee may be required by the Union, in lieu of periodic dues, initiation fees, or agency shop fees to pay sums equal to the dues/fees to a nonreligious, non labor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, chosen by the employee. Proof of the payments shall be made on a monthly basis to the Agency as a condition of continued exemption from the requirement of financial support to the Union.

1.3 Union Responsibilities

The Union shall indemnify and hold the Agency harmless against any liability arising from any claims, demands, or other action relating to the Agency's compliance with the agency shop dues/fee obligation.

No employee shall be subject to termination for failure to pay the required dues/fees until the Union has first notified the employee and the Agency by letter, explaining that the employee is delinquent in tendering the required dues/fees, or payment in lieu of dues/fees noted above, specifying the current amount of the delinquency, and warning the employee that unless such dues/fees, or payment in lieu of dues/fees, is tendered within thirty (30)

calendar days, the employee will be reported to the Agency for termination of employment. The Union will provide the Agency with written proof that this procedure has been followed, and will make written request to the Agency that the employee be terminated from his/her employment.

Section 2 Definitions

- 2.1 "Employment Date" means the latest date on which an employee began a period of service with the Agency.
- 2.2 "Service" is defined as the length of an employee's continuous employment as a regular employee.
- (a) In the case of layoff, a regular employee shall retain his/her seniority date if he/she is re-employed within two (2) years of the date of layoff. Service time shall not include the period of layoff.
- (b) Except for (a) above, the continuity of an employee's service shall be deemed to be broken by termination of employment.
- (c) The following periods of absence shall count as service and shall not constitute a break in service:
- (1) Absence due to a leave of absence authorized by the Agency provided the employee returns to active work with the Agency immediately following his leave of absence.
- (2) Absence because of illness or injury as long as the employee is entitled to receive benefits under provisions of the Disability Plan or Workmen's Compensation law, provided that the employee returns to active work with the Agency immediately following his recovery from the illness or injury.
- 2.3 "Impasse" means that the parties to a dispute over matters within the scope of meeting and conferring have reached a point in meeting and conferring at which their differences in positions are so substantial or prolonged that future meetings would be futile.
- 2.4 "Meet and confer in good faith" (sometimes referred to herein as "meet and confer" or "meeting and conferring") means the performance, by the General Manager or his duly authorized representative, and by the duly authorized representative of the Union to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange information, opinions and proposals, and to endeavor to reach agreement on matters within the scope of representation. "Meet and confer in good faith" does not require either party to agree to a proposal or to make concession.
- 2.5 Section Titles Section titles in this Agreement are for identification purposes only and are not to be used for the purpose of interpreting either the intent or the meaning of the language of any section.
- 2.6 No Discrimination No employee shall be demoted, terminated, or in any way favored or discriminated against because of age, race, sex, national origin, religion or any other legally protected basis. Neither Agency nor Union shall interfere with, intimidate, restrain, coerce, or discriminate against employees because of the exercise of rights protected under California Government Code Section 3502.

Section 3 Compensation

3.1 General Wages for the job classifications covered by this Agreement shall be as set forth in Exhibit A effective December 30, 2012, attached hereto and incorporated herein.

3.2 Shift Premium and Temporary Upgrading The guidelines for the payment of shift premiums and the rate of such premiums and the guidelines for payment by reason of temporary upgrading in job classification are set forth below.

(a) Shift Premium:

- (1) The shifts and times of work are designated in Section 4.2.
- (2) Employee work periods regularly scheduled to begin between the hours of 0600 and 0900, do not receive shift premium.
- (3) Employee work periods regularly scheduled to begin between the hours of 1800 and 2100 receive a shift premium of \$2.50 per hour.
- (4) Employees scheduled to work swing shift as defined in paragraph 4.2(b) shall receive a shift premium of \$1.25 per hour.
- (5) Payment of shift premium is applicable to non-shift employees when with advance notice, they are placed on a regular shift basis for a minimum of a two week pay period.
- (6) Employees designated as "relief" receive an additional \$24.00 per week.
- (7) Any shift premium payable for an employee's regularly scheduled hours of work is also paid for any hours worked by the employee immediately before or following the regular hours of work. An employee required to work a shift regularly scheduled to another employee that does not start just before or after the employee's own regularly scheduled shift, is paid the premium applicable to the shift in progress at the time the employee starts work.
- (8) When a shift premium is applicable to the time worked at an overtime rate of pay, the appropriate overtime rate is applied to the shift premium.
- (9) Shift premiums are paid only for hours actually worked, and are not paid for non-work time such as holidays, sick leave, vacation, CTO, etc. Such premiums are not paid to casual or part-time employees.
- (10) Shift employees working on a non-workday, or a day not scheduled as a workday, receive shift premium only when working a full, regularly established shift.

(b) Temporary Upgrades:

- (1) An employee (non-supervisory) assigned to work in a bargaining unit Lead classification is paid for time worked in the Lead classification, provided that the time worked is not less than two consecutive hours in the pay period.
- (2) Assignment to classifications for a period in excess of fifteen working days in a calendar month shall require a Personnel Action initiated by the Plant Manager with appropriate approval.

3.3 Payment of Wages Wages shall be paid in full in biweekly intervals on Fridays for a two-week payroll period. If the regular payday falls on a holiday, payment shall be made on the preceding work day.

- (a) An employee shall be paid the wage established for the position as noted in Exhibit A.
- (b) An employee may be placed or hired into the wage structure based on the knowledge, skills, abilities, and qualifications possessed at the time of entry.
- (c) The wage progression of an employee who is absent on leave or absent without pay for more than ten (10) consecutive work days, will be delayed by a period of time equivalent to such leave of absence.
- (d) An employee who successfully completes the training program for the next salary step in his/her line of progression and who receives a rating of meets requirements/expectations or higher on the last annual performance appraisal is qualified for the next step. Such employees will be moved to the next step once qualified.
- (e) Each employee is expected to complete the training program in his/her line of progression within the time allowed for such progression. (See Exhibit A for more details.)

Section 4 Days and Hours of Work

4.1 Normal Work Week

As determined by management, the normal work week shall be one of the following schedules. Absent an emergency, any permanent change to the schedule will be made after a minimum of two (2) weeks written notice is given to the Union.

- (a) The eight (8) hour shift schedule shall be forty (40) hours in a seven (7) day period consisting of five (5) shifts per week of eight (8) hours per day.
- (b) The twelve hour shift schedule is set up with a six-week work period. Each Operator would work 240 hours in this period, averaging 40 hours per week. Hours worked in excess of 240 hours would be considered overtime.
- (c) The Nine-eighty schedule shall be eighty (80) hours in a fourteen (14) day period consisting of five (5) days of nine (9) hours followed by two (2) days off, followed by three (3) days of nine (9) hours and one (1) day of eight (8) hours, followed by three (3) days off. A one-half hour paid lunch period will be scheduled approximately half way through the work day.
- (d) The four tens work week shall be eighty (80) hours in a fourteen (14) day period. A one-half hour paid lunch period will be scheduled approximately midway through the workday.

4.2 Shift and Non Shift Employees

- (a) "Non shift employees" are:
 - All employees who work from Monday to Friday and whose eight hour work period is regularly scheduled to start between the hours of 0600 and 0900.

- Four ten employees who work the shift described in section 4.1d above and whose ten (10) hour work period is regularly scheduled to start between the hours of 0600 and 0900, Monday through Friday.
- Nine-eighty schedule employees who work the hours described in Section 4.1c and whose work period is regularly scheduled to start between the hours of 0600 and 0900.

For the performance of certain maintenance work, additional schedules may be required to accomplish adequate coverage. The schedule start times are designated as follows:

0600 – 0900	Day
1500 – 1800	Swing (premium paid \$1.25/hour)
2300 – 0200	Night (premium paid \$2.50/hour)

(Note: Start times not identified above fall into the next schedule e.g. 10 a.m. start time is swing schedule, and 4 a.m. is day schedule.)

- (b) "Shift employees" are all employees whose twelve (12) hour work period is regularly scheduled and regularly rotated to accomplish twenty-four hour or time of operation coverage. The shifts and times of work are designated as follows:

<u>Days</u>	
0600 - 1800	12 hour shift

<u>Nights</u>	
1800 - 0600	12 hour shift

Start time for each of the above shifts may be modified by supervision after consulting with the Union.

Section 5 Casual, Temporary and Regular Employees

- 5.1 Casual Employee A casual employee is one hired for six (6) months or less to fill the immediate needs of the Agency.

A casual employee receives only salary. No fringe benefits are paid a casual employee.

- 5.2 Regular Employee A regular employee is any employee who is hired for continuous service to exceed six months and for which a permanent authorization exists. A regular employee shall acquire service and rights with respect to leave of absence, holidays, sick leave, vacation, benefit programs or similar rights and privileges.

- 5.3 Shift Employee on Irregular Work Week Schedule: Employees on an irregular shift schedule, meaning those on a 12 hour/day or 10 hour/day shift that does not average 40 hours each week are guaranteed a minimum of 1,840 hours per calendar year unless one of the following conditions exist:

- Employee voluntarily terminates.
- Employee is discharged.
- Employment begins after first day of year.

- d) Employee is on leave of absence.
- 5.4 Probationary Employees All regular Agency employees covered under this MOU shall serve one twelve (12) month probationary period during which time the probationary employee is subject to dismissal without right to appeal or severance benefits.
- 5.5 Provisional Employees A provisional appointment is an employment assignment of limited duration (i.e., length of project or assignment) for which all Agency benefits are paid. An employee covered by this Agreement, who accepts a provisional appointment, shall be returned to his/her previous position upon expiration of the appointment. Said employee shall not suffer a break in service during the term of the provisional appointment and shall retain all rights under Section 19 of the Agreement.

Section 6 Holidays

6.1 Recognized Holidays The following are recognized holidays:

- | | |
|-----------------|-------------------------------------|
| New Year's Day | Veteran's Day |
| President's Day | Thanksgiving Day |
| Memorial Day | The Day After Thanksgiving |
| July 4th | Christmas Day |
| Labor Day | Two Floating Holidays (Section 6.3) |
| | Personal Business Day (Section 6.4) |

- (a) In the event that any of the recognized holidays falls on a Sunday, the following Monday shall be considered the holiday. In the event that any of the recognized holidays falls on a Saturday, the proceeding Friday shall be considered a holiday. However, those employees scheduled to work on Saturday or Sunday at the straight time rate shall observe that Saturday or Sunday as a holiday and the following Monday or preceding Friday shall not be treated as a holiday.
- 6.2 Holiday Pay Holiday pay is defined as eight (8) hours time at the employee's regular straight time hourly rate. To be eligible for holiday pay, the employee must work the last scheduled workday before the holiday or the first scheduled workday after the holiday, unless excused by the Agency. For the remaining hours required to cover a 9/80, 4/10 or 12 hour schedule the additional time (1, 2 or 4 hrs) shall be taken at the option of the employee as leave without pay, vacation time or comp time. If the holiday is observed on an employee's regular day off, the employee will be credited with eight (8) hours of vacation.
 - (a) Regular scheduled employees who work a holiday which falls on a workday will be paid one and one-half (1½) times for these hours in addition to his holiday pay.
 - (b) The holiday pay of an employee, who is temporarily upgraded other than on a time card basis, shall be based on the rate of pay of the job to which he is temporarily upgraded.
 - (c) Holiday pay is defined as eight (8) hours time at the employee's regular straight time hourly rate. To be eligible for Holiday Pay, the employee must work the last scheduled work day before the holiday or the first scheduled work day after the holiday, unless excused by the Plant Manager. For the remaining one (1) hour of the Nine-Eighty Schedule, the employee will be given the option of taking leave without pay, vacation time or work one (1) extra hour on his or her eight (8) hour days at the straight rate of pay.

- 6.3 Floating Holiday In addition to the recognized holidays, each employee is entitled to two floating holidays, which may be taken any day during the calendar year by giving the supervisor two weeks notice and the supervisor approving the absence based on no disruption of Agency operations. The Agency may limit the number of employees who take a floating holiday on a given day. If more employees elect a specific day than can be permitted off on that day, the preference will be given to employees with the greater service.
- (a) Under no circumstances may an employee with greater service, "Bump", an employee who has signed up for a given floating holiday earlier in the year.
- 6.4 Personal Business Day Each employee is entitled to one personal business day, which may be taken in hourly increments by giving the supervisor prior notice (24 hr minimum) and the supervisor approving the absence based on no disruption of Agency operations.
- 6.5 Friday After Thanksgiving Day Employees may be scheduled to work on the Friday following Thanksgiving Day and the overtime provisions are not applicable. In lieu thereof, such employee must elect to take another day off by June 1, of the following year as scheduled vacation. If such day off has not been arranged by the Agency by June 1, the overtime for holidays provision shall apply to his next regularly scheduled workday after June 1, provided the employee notifies his supervisor of his selection at least seven calendar days in advance of the day selected.
- 6.6 Non-Work Day If a holiday falls on a shift or four tens shift employee's non-work day, he or she shall be entitled to have one (1) additional work day off with 8 hours pay. Such day shall be scheduled in conjunction with the employee's next scheduled vacation. Such day may be taken prior to his/hers next scheduled vacation with the approval of the supervisor in charge:
- (a) At its option the Agency, in lieu of granting an employee an additional day off with pay, the Agency may elect to pay for one (1) 8 hour day at the straight rate of pay for each holiday that falls on a non-work day.
- (b) If a holiday falls on a shift or non-shift employee's non-work day, he or she shall be entitled to have one (1) additional work day off with eight (8) hours pay. Such day shall be scheduled in conjunction with the employee's next scheduled vacation. Such day may be taken prior to his or her next scheduled vacation with the approval of the supervisor in charge.
- 6.7 Scheduled Work Day Shift employees may be regularly scheduled to work on holidays, which fall on their workdays. They shall be compensated at the overtime rate of pay in addition to their holiday pay for the shift or work period involved, but shall not be entitled to travel time in connection therewith:
- (a) At the option of the affected employees, they may elect to work the regular scheduled holiday at the overtime rate of pay and, in lieu of receiving the holiday pay; they may bank this time to be used in the following year as scheduled vacation time. This time will be posted at the beginning of each year and be scheduled the same as vacation time.
- (b) The number of such employees regularly scheduled to work on a holiday shall be kept to a minimum consistent with operational needs.
- (c) If the Agency determines that the services of an employee, who is regularly scheduled to work on a holiday, are not required, such employee, upon being notified prior to quitting time of the workday preceding the holiday, shall take the holiday off with pay.

6.8 Overtime Work An employee may be required to perform prearranged or emergency work on a holiday, which falls on a workday in his/her basic work week. In this case the employee shall be compensated at the overtime rate of pay in addition to the holiday pay.

- (a) An employee that is required to work on a holiday which is the employee's regular non-workday, will be compensated at the 2 times rate of pay in addition to the holiday pay for either prearranged or emergency overtime work.

Section 7 Overtime

7.1 Overtime The Agency may schedule employees to work for periods other than their regular work hours when additional work is deemed necessary by the Agency.

Scheduled overtime shall be equally distributed among those employees requesting overtime, to the extent possible. No employee will normally be required to work overtime between the employee's last regular workday preceding vacation and the employee's first workday following vacation.

- (a) Non-Shift Employees - Schedule Change Hours of work or work schedule for non-shift employees are defined in Section 4. If the Agency changes the work schedule of a non-shift employee outside of the hours and days in Section 4, it will pay overtime compensation at the rate of 1½ times the regular rate for work performed outside the previous scheduled hours for the first four (4) workdays of any such schedule change (e.g. if the employee works 07:00 to 15:00 and changes to 06:00 to 18:00, then the employee would receive 4 hours OT that day at 1 ½ times pay). The first four days of overtime compensation are based on the days the employee worked under the prior schedule (e.g. if the employee did not work on Saturday/Sunday, Saturday/Sunday are not counted in the first four days). On the fifth (5) workday, and thereafter for the duration of such schedule change, the employee will be paid at his or her straight-time rate plus the applicable shift or non-day schedule premium (see section 4.2). If the change in schedule extends beyond six (6) weeks, the Agency will make its best effort to rotate the assignment of the affected employee. When an employee returns to his/her regular work schedule, the employee will be paid at his/her straight-time rate, even if less than sixteen (16) hours have elapsed between work periods.
- (b) Shift Employees: Voluntary Exchange of Shift Shift employees in the same job classification, may with their supervisor's approval, exchange shifts or work periods, provided that any such exchange is within the same work week of the involved employees and no overtime compensation is made.
- (c) Call-Outs and Cancellation of Overtime The minimum time for which overtime will be paid on any call-out will be two (2) hours when the employee is required to report to the job site.

Employees who assist the Agency by means of telephone response, but who don't physically report to the work site, shall receive overtime compensation for the telephone call/response. All calls/responses received/made in the first 30 minutes will be paid 30 minutes of overtime. When 30 minutes has lapsed since the first call, additional calls thereafter will each be paid for in 15 minute increments. Example: next call/response after first 30 minutes is 5 minutes in length; employee receives 15 minutes overtime pay.

If scheduled overtime work on a non workday or holiday is canceled and the employee is not notified of the cancellation by the end of the employee's preceding work period on a workday (including overtime), the employee will be paid a minimum of two (2) hours overtime at one and one-half (1½) times the regular rate of pay.

(d) Overtime Compensation at One and One-Half Times Regular Rate of Pay Overtime shall be compensated to the nearest one-quarter hour. Overtime shall be compensated at one and one half (1½) times the employee's regular rate of pay in the following circumstances:

(1) Pursuant to the Agreement reached between the Agency and the Union under Title 29 U.S.C. Section 207(b) of the Fair Labor Standards Act for a 2080 Plan, for purposes of 40 hour per week overtime averaging for designated 4/10 and 12 hour shift employees on irregular schedules (e.g. 50 hours week one, 30 hours week two):

The Agency agrees to pay to the employee 1 ½ times his/her regular rate of pay for all hours actually worked (not including holidays, vacation and paid absences) in excess of 1,840 to be extent that any of those excess hours worked in the calendar year also exceeded 40 in a work week.

In the event the employee works (not including holidays, vacation, paid absences) more than 2,080 hours during the calendar year, the employer shall pay the employee 1½ times his/her regular rate for all hours worked exceeding 2,080.

In the event the employee works (not including holidays, vacation, paid absences) more than 2,240 hours in the calendar year, he/she shall receive 1 ½ times his/her regular rate for each hour worked in excess of 40 in a single work week retroactive to the start of the calendar year.

Overtime premiums shall not be pyramided.

- (2) When a 12 hour irregular shift employee works in excess of 12 hours in a day.
- (3) When a 10 or 12 hour irregular shift-employee works more than 56 hours in a work week. A work week is defined as Sunday through Saturday.
- (4) When a non-shift employee works in excess of eight (8) hours in a workday or when a non-shift employee works in excess of forty (40) hours in a work week.
- (5) When a four tens shift employee works in excess of ten (10) hours in a workday or the employee works in excess of forty (40) hours in a work week.
- (6) When an employee works on a non-workday.
- (7) When an employee works outside of regular scheduled work hours on a workday.
- (8) When an employee works on a scheduled holiday, which falls in the regular work week, in addition to holiday pay, he or she shall be paid one and one-half (1½) times for the hours worked.

- (9) When an employee is notified on a prior workday and reports for work on a regular workday outside of his or her regular work hours, the employee will be paid one and one-half (1½) times the regular rate of pay for actual work time and travel time. However, if the employee continues to work into his/her regular hours and beyond, the employee will be compensated by overtime only for travel time one way from his/her home and for actual work time up to his/her regular work hours. On non-workdays or holidays, he/she will be paid the appropriate overtime rate for actual work time and travel time. The employee will be paid for actual travel time from home, limited to a maximum of one hour and thirty minutes. Inclement weather or road conditions that increase the actual travel time beyond the employee's control will be paid based on supervisor's approval.
- (10) If the Agency establishes a regular schedule by which a shift employee will have less than twelve (12) hours off between shifts, the employee will be paid one and one-half (1½) times the regular rate of pay for any time worked in the twelve (12) hour interval following the end of the employee's last preceding shift.
- (11) If a shift employee is transferred from one schedule or work day or work hours to another, the employee shall be paid overtime compensation for work performed during regular hours of the first day involved in the transfer if any of the following conditions are met:
- a) The employee is notified of such transfer less than twenty-four (24) hours in advance of the starting time of the new shift.
 - b) The employee has not had a minimum of eight (8) hours off between shifts.
 - c) The employee has been required to work more than forty (40) hours at the straight-time rate in the affected work week.
 - d) The employee has been required to work more than two (2) transfers from one schedule to another with only eight (8) hours off between shifts in the affected work week.
- (12) When a Nine-Eighty employee works in excess of nine (9) hours on his/her long day or eight (8) hours on his/her short day. (Except as provided in Section 6.2 Holiday Pay.)
- (e) Overtime Compensation at Two Times Regular Rate of Pay Overtime shall be compensated to the nearest one-quarter hour.

Overtime compensation at two (2) times the employee's regular rate of pay will be paid in the following circumstances:

- (1) When a non-shift employee or four tens shift employee works in excess of twelve (12) consecutive hours.
- (2) When a 12 hour shift employee works in excess of sixteen (16) consecutive hours.
- (3) When an employee is called out (defined as being notified to report to work while not at work) after regular work hours or on a non-workday. The employee will be paid for actual travel time from home, limited to a

maximum of one hour and thirty minutes. Inclement weather or road conditions that increase the actual travel time beyond the employee's control will be paid based on supervisor's approval.

- (4) When an employee works through a rest period, (time off between work schedules), until the employee is relieved from duty for eight (8) consecutive hours.
- (5) When a non-shift employee works in excess of eight (8) hours on:
 - a) The employee's second of two scheduled days off, provided the employee has performed work on the first scheduled day off, or
 - b) On the fourth day of four (4) consecutive days off, provided that such employee has also performed work on the third scheduled day off.
- (6) When a four tens shift employee works in excess of ten (10) hours on:
 - (a) The employee's second of two scheduled days off, provided the employee has performed work on the first scheduled day off, or
 - (b) The employee's third of four days off provided the employee has performed work on the second scheduled day off, or
 - (c) The employee's fourth of four consecutive days off provided the employee has performed work on the third scheduled day off.
- (7) When a shift employee works in excess of twelve hours on the employee's second of two scheduled days off, provided the employee has performed work on the first scheduled day off.
- (8) When a Nine-Eighty employee works in excess of twelve (12) consecutive hours.
- (9) When a Nine-Eighty employee works in excess of eight (8) hours on:
 - (a) The employee's second of two scheduled days off, provided the employee has performed work on the first scheduled day off, or
 - (b) The employee's third of 3 days off provided the employee has performed work on the second scheduled day off.
- (f) Relief Duties An employee who is classified to perform relief duties shall be available for duty in revolving shifts on any day of the week and may be assigned for relief in any shift without advance notice. Such employee shall not, as a result of relief assignments, be paid overtime for work performed during regular work hours. Such employee is considered a shift employee and shall not receive overtime as a result of being notified of any schedule change during work hours. However, said employee shall receive the applicable shift premium for hours worked on an established shift. However, if the employee is required to report for work without having had eight (8) hours off following the end of the last preceding work period, the employee will be paid overtime for any time worked in the eight (8) hour period following the end of the last preceding work period.

A work period is defined as any eight (8) or twelve (12) hour shift or extension thereof.

- (g) Limit on Consecutive Workdays Except where a hazard to life or property exists, employees will not be required to work more than 21 consecutive days without having two (2) consecutive days off at the straight time rate of pay. The third week regular scheduled days off will be given if at all possible. If the days off should fall beyond the 21 day period, then the employee will receive the days off and straight time pay for two days.
- (h) Reporting for Work- Travel An employee will report to the NCPA generating plant to which he/she has been regularly assigned and will return thereto at the end of the workday. The time spent in traveling between other assigned plant sites shall be deemed as time worked.
- (i) Withholding On Paid Overtime Income tax withholding on payments of overtime shall be based on the employee's W-4 unless the employee requests, in writing, flat rate withholding.
- (j) Voluntary Change of Shift The four tens shift employees may, with their supervisor's approval, change shifts or work periods as long as the shift change or work period is Monday through Friday, starting between the hours of 0600 to 0900. Overtime compensation as defined in Section 7.1(a) will not apply to employee initiated "shift" or "work period" changes.

7.2 Compensating Time Off Employees may, in January of each year, elect to accrue overtime worked as compensating time off. Compensating time off shall be limited to one hundred twenty (120) regular hours in one calendar year.

- (a) Employees may elect in writing to accrue all overtime as compensating time off. After such election, all overtime worked will automatically be accrued until the one hundred twenty hour limit is reached. New hires may first elect CTO during the first two (2) weeks following the date of employment, and thereafter any election would occur during the normal sign-up period.
- (b) Overtime accrued as compensating time off shall be converted to and accumulated as regular hours. These hours, labeled "comp time" will be shown on the employee's pay stub in a manner similar to vacation and sick leave.
- (c) All overtime accrued as compensating time off must be taken as time off or as additional compensation by the end of the calendar year. No accrued compensating time off may be carried over to the next calendar year. Accrued compensating time off that is not taken by the end of the calendar year shall be paid with the last payroll of the year.
- (d) An employee desiring to take compensating time off must receive approval through his/her supervisor at least two weeks prior to the requested day off.
- (e) An employee desiring to be paid for compensating time off must notify the Agency Payroll Department in writing at least one week prior to the date of the payment. All payments of accrued compensating time off will be included in the next payroll disbursement; this may be done one time per year.

7.3 Rest Periods

- (a) If a non-shift employee has worked for eight (8) hours or more at the overtime rate during the sixteen (16) hour period immediately preceding the beginning of the

employee's regular work hours on a workday, the employee will be entitled to a rest period of eight (8) consecutive hours on the completion of the overtime work.

There shall be included, as part of the eight (8) hours worked at the overtime rate in such sixteen (16) hour period, any travel time and meal time to which the employee is entitled, except that any travel time and meal time to which he is entitled after being dismissed from work will not be included as hours worked in such period, but will be included in the computation of the eight (8) hour rest period.

- (b) If a shift employee has worked for six (6) hours or more at the overtime rate during the twelve (12) hour period immediately preceding the beginning of the employee's regular work hours on a workday, the employee will be entitled to a rest period of eight (8) consecutive hours on the completion of the overtime work.

There shall be included, as part of the six (6) hours worked at the overtime rate in such twelve (12) hour period, any travel time and meal time to which the employee is entitled, except that any travel time and meal time to which he is entitled after being dismissed from work will not be included as hours worked in such period, but will be included in the computation of the eight (8) hour rest period.

- (c) If the rest period in whole or part overlaps the employee's regular hours, the employee will receive pay at the straight-time rate for the extent of the overlap. However, the time taken during such overlap for any meal to which the employee is entitled on dismissal, will be paid at the overtime rate.

- (d) If the rest period extends into regular work hours, but not into the second half of the workday, the employee may be excused from reporting to work until the beginning of the second half of the workday. This time will be compensated at the straight-time rate of pay.

- (e) If the rest period extends into the second half of the workday, the employee may be excused from reporting to work for that workday. This time will be compensated at the straight-time rate of pay.

- (f) If an employee is called back to work during the rest period, a new rest period will commence at the conclusion of such work.

- (g) If a four tens shift employee has worked for six (6) hours or more at the overtime rate during the fourteen (14) hour period immediately preceding the beginning of the employee's regular work hours on a workday, the employee will be entitled to a rest period of eight (8) consecutive hours on the completion of the overtime work.

There shall be included, as part of the six (6) hours worked at the overtime rate in such fourteen (14) hour period, any travel time and meal time to which the employee is entitled, except that any travel time and meal time to which he/she is entitled after being dismissed from work will not be included as hours worked in such period, but will be included in the computation of the eight (8) hour rest period.

- (h) If a Nine-Eighty employee has worked for seven (7) hours or more at the overtime rate during the fifteen (15) hour period preceding the beginning of the employee's regular work hours on a long work day, or eight (8) hours or more at the overtime rate during the sixteen (16) hour period preceding the beginning of the employee's regular work hours on a short work day, the employee will be entitled to a rest period of eight (8) consecutive hours on the completion of the overtime work.

There shall be included, as part of the hours worked at the overtime rate, any travel time and meal time to which the employee is entitled, except that travel time and/or meal time in which he/she is entitled after being dismissed from work, will not be included as hours worked in such period, but will be included in the computation of the eight (8) hour rest period. The eight (8) hour rest period may be increased to nine (9) hours at management's discretion if the employee's one-way commute between home and the work site is one (1) hour or more.

Section 8 Meals and Transportation

8.1 Shift, Non Shift and Four Tens Shift Employees

Prior to Regular Work Hours:

- (a) If an employee is required to report to work two (2) or more hours before the employee's regular work hours and continues to work into regular work hours, the employee will be reimbursed \$15 for a meal.

Extension of Regular Work Hours:

- (b) If an employee is required to work more than one hour and fifteen minutes (rounded to the nearest 15 minutes) beyond the employee's regular work hours, the employee shall receive \$15.00 and 30 minutes pay, and this will be paid every four hours thereafter that the employee continues to work beyond his/her scheduled hours. If the assignment continues two and one-half hours beyond the end of his/her scheduled work hours, the Agency will provide a snack (examples include but are not limited to: a sandwich, pizza, hamburger, burrito). The next snack would be provided approximately 4 hours after the prior snack is consumed. (Example: Employee's schedule ends at 4 p.m. and he continues to work until 10 p.m. The employee receives \$15 and 30 minutes pay at 5:15 p.m., then he receives a snack at 6:30 p.m. followed by another \$15 and 30 minutes pay at 9:30 p.m.).

Emergency Call-Out Work Hours:

- (c) If an employee is required to perform emergency work on a non-workday or solely outside of prescheduled regular work hours on workdays, the employee shall be reimbursed for meals taken or he/she may receive \$15 and 30 minutes pay in lieu of taking a meal. The meal reimbursement will be provided every four hours that the employee continues to work.
- (d) Travel times shall not be included in the determination of intervals for providing meals.

8.2 Transportation and Travel Time

- (a) Transportation-Non-Supervisory Personnel The Agency will, at its option, provide transportation for non-supervisory personnel via Agency vehicles or will pay a transportation allowance in lieu of utilizing Agency vehicles for those employees working at the Geysers.
 - (1) Transportation allowance is based on the reasonable commute from Lake and Sonoma Counties.
 - (2) Transportation allowance is \$14.40 per day.
 - (3) An employee required to work overtime outside his/her normal hours will be paid a transportation allowance. Extension of the normal workday will not qualify for an additional transportation allowance.

- (b) Relief Operator Travel Time The relief operator shall be paid travel time to and from work for any complete day worked in excess of the required 240 hours in that six-week work period.
- (c) Agency Travel An employee may use his/her own vehicle for Agency business provided such use is approved by the employee's supervisor. Mileage shall be reimbursed at the IRS approved rate. An employee using his/her own vehicle for Agency business may be required to provide proof of sufficient insurance to hold the Agency harmless from any liability to any third party for personal injury or property damage resulting from operation of the employee's vehicle. The General Manager shall determine the limits of insurance required to be carried by the employee.

An employee assigned to work at a temporary work location will work the same schedule as the work crew he/she is assigned to.

When an employee can return to his/her normal living quarters or the regular headquarters from a temporary work location and Section 10 does not apply, he/she may be reimbursed for mileage for the employee's personal vehicle use in accordance with NCPA Travel Policy in effect on 10/4/12. Travel pay will only be provided if the time involved to travel to the temporary work location is in excess of the time normally taken in driving from the employee's living quarters to his/her regular assigned headquarters. The excess time will be considered hours worked. In the event that the employee receives a transportation allowance for their commute to the regular headquarters, the employee may not receive both the transportation allowance and mileage reimbursement.

Section 9 Boots and Prescription Eyewear

- 9.1 NCPA will allow employees to select a pair of work boots that do not exceed a total cost of \$200, if the total cost exceeds \$200 then the employee will pay the difference. Upon supervisor approval boots will be replaced by the Agency on an as needed basis as related to fair wear & tear under normal working conditions and as demonstrated to the employee's supervisor.
- 9.2 The Agency will pay up to \$100 for prescription safety glasses as required for specific job classifications identified by the plant manager and approved by the appropriate AGM. This \$100 is in addition to the benefit provided under the Agency's vision plan.

Section 10 Temporary Work Location Assignments

- 10.1 Employees who are temporarily assigned to work at such distance from their established work location that it is impractical for them to return thereto, or their regular place of abode, shall for the duration of such assignment be allowed expenses for board and lodging and for other incidental items of expense approved in advance of the assignment.
 - (a) Traveling employee to receive 10% increase in base wage for duration of assignment.
 - (b) Agency pays expense for motel.
 - (c) Agency to pay daily rate of \$45.00 for meals.
 - (d) Agency to pay actual costs, upon delivery of receipts or signed expense form, not to exceed \$15.00 per week, for telephone calls. (Agency also separately pays motel and or calling card connect/service charges for phone calls as shown on expense reports.) At the Agency's option it may provide a cellular phone or prepaid calling

cards for the employees to call home during off peak periods. Should a cell phone and or calling cards be provided then no weekly telephone call allowance would be paid.

- (e) Agency to pay actual costs upon delivery of receipts or signed expense form, not to exceed \$12.00 per week, for laundry expense.
- (f) If on their non-working days any such employees remain at such designated places, their expenses for board and lodging on such days shall be paid by the Agency.
- (g) If possible, Agency is to provide transportation at the ratio of one vehicle per two employees.
- (h) Travel to and from temporary location to permanent place of abode shall be considered as time worked.
- (i) Travel to and from motel to temporary work location in excess of fifteen minutes each way to be paid at the overtime rate.
- (j) An employee who is authorized by the Agency to use his personal vehicle in connection with his/her duties shall be entitled to a vehicle mileage allowance at the current mileage rate under NCPA travel policy in effect 10/4/12. Geothermal employees when reporting to another location do not receive the daily transportation allowance per section 8.2 (a).
- (k) When such temporary assignment extends beyond the second consecutive workweek, an employee may in any succeeding work week be allowed to return to his regular place of abode over the weekend. Expenses to be as covered in this policy.

Section 11 Leaves

11.1 Sick Leave Employees shall be credited with sick leave, earned on a daily basis and computed at the rate of ninety-six (96) hours per year, with no limit on the amount that may be accumulated. There will be a payoff for accumulated sick leave only in the event of termination due to permanent disability.

- (a) Sick leave may be used only in cases of actual personal sickness, disability, or for medical or dental treatment. Up to 48 hours of sick leave per year may be used for illness of a member of the employee's immediate family. Immediate family includes spouse, domestic partners, and children. Such time off shall be noted as Family Sick Leave on the timesheet.
- (b) Sick leave will be charged by the hour with no charge made for increments of less than one hour.
- (c) If a holiday occurs on a workday during the time an employee is absent on sick leave with pay, the employee shall receive pay for the holiday. The holiday shall not be counted as sick leave.
- (d) The Plant Manager may request from the employee written proof of illness from a licensed physician for any days charged as sick leave. Such request must be made within a reasonable time.
- (e) A new employee may, if necessary, use up to forty-eight (48) hours of unearned sick leave at any time during the first six (6) months of employment. Any negative

balance generated by such utilization will be charged against future accrual or deducted from the employee's final paycheck in the event of termination of employment.

11.2 Medical (FMLA) and Maternity Leave In the event of an illness or disability, a medical leave of absence without pay may be granted by the Agency. Accumulated sick leave must be used in conjunction with a leave for the employee's own illness or injury. In order to receive such a medical leave of absence, the leave must be medically necessary for the employee and the employee must be under the care of a physician. A written request must be submitted to the Agency through the employee's supervisor and must be accompanied by a Health Care Providers Certification signed by the physician verifying the medical necessity. Employees should provide the Agency up to 30 days notice of the need for a medical leave. If the need for leave is not foreseeable, employees will be placed on leave as soon as the Agency is aware of the employee's need to be on leave, pending physician verification.

- (a) Medical leaves of absence may be granted for a period up to thirty (30) days. Extensions may be granted on a month-to-month basis, as needed, provided that a letter signed by a physician accompanies them, verifying medical necessity and they are approved by Agency management.
- (b) The employee shall not accrue sick leave or vacation time while on unpaid medical leave. However, sick/vacation time continues to accrue if the employee is receiving sick, vacation or Worker's Compensation supplement pay from the Agency while on medical leave.
- (c) Maternity leave shall reflect the legal obligations of the Agency. (See Section 11.9)
- (d) Unpaid medical leave may be granted for Family Care Leave purposes under FMLA. Family care leave shall mean leave for reason of the birth of a child of the employee, the placement of a child with an employee in connection with the adoption of the child by the employee, or the serious illness of a child, spouse, domestic partner or parent of the employee. Employees contribute to paid family leave (PFL) as part of their state disability taxes. Employees who take time off for family care purposes will be eligible to apply for these benefits. The PFL benefits through State Disability Insurance are coordinated with other benefits such as sick leave and Guardian Short Term Disability so that compensation does not exceed 100% of the employee's salary.
- (e) While on medical leave for the employee's own medical condition, the employee may be required to coordinate accrued sick leave or vacation with State Disability, Worker's Compensation or related other benefit payments so that compensation does not exceed 100% of the employee's salary.
- (f) While the employee is on approved medical leave the Agency will continue to pay for the employee's participation in its benefit plans in which he/she was enrolled before the first of the leave.
- (g) If there is a conflict between this MOU and any state or federal statute, the statute will prevail.

11.3 Bereavement Leave Leave of absence with pay of twenty four (24) hours; plus sixteen (16) additional hours chargeable to sick leave, vacation or compensating time off, may be granted an employee by the General Manager or his designee in the event of death in the employee's family. For the purpose of this section, family is defined as: spouse, parent, parent-in-law, foster parent, child, stepchild, brother, sister, half-brother or half-sister, daughter-in-law, son-in-law, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, or more distant relative residing in the household of the employee.

Request for leave with pay in excess of the limits defined above shall be subject to the approval of the General Manager. Approval of additional leave will be based on the circumstances of each request with consideration given to the employee's need for additional time.

Consistent with the Agency's operational needs, an employee may be granted the time off with pay necessary to attend the funeral of a person the employee may be reasonably deemed to owe respect, but not to exceed eight (8) hours.

11.4 Military Leave Military leave shall be granted as required by law.

11.5 Jury Duty and Subpoenas Employees required to serve on jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided the employee remits to the Agency all fees received from such duties, other than mileage or subsistence allowed, within thirty (30) days from the termination of jury duty.

Employees who are witnesses on behalf of, or at the request of, the Agency in any court proceeding or who are subpoenaed in any court proceeding by a third party shall be entitled to leave with pay for those hours reasonably necessary to serve as a witness, provided the employee remits to the Agency all fees received from such duties, other than mileage or subsistence, within thirty (30) days from the time the employee appears as a witness.

In all other court matters, the employee must obtain approval from the Agency before taking time off. Such time off will be treated as leave without pay.

11.6 Voting Time off with pay to vote in any general or direct primary election shall be granted as provided in the State Elections Code, and notice that an employee desires such time off shall be given in accordance with the provisions of said Code.

11.7 Leave Without Pay Leave of absence without pay may be granted to an employee in cases of emergency or substantial personal reasons. Any leave of absence requested must be approved by the General Manager or his designee and such approval shall be based on the nature of the emergency, the estimated length of the leave and the staffing needs of the Agency. Leave under this section shall not be granted to allow the employee to seek or accept other employment.

11.8 Light Duty Work At the sole discretion of the Agency and with proper medical approval, an employee may be allowed to return to work on a light duty basis after an illness or disability. The Agency agrees to make reasonable accommodation of employee initiated requests to return to light duty.

11.9 Pregnancy Disability Leaves The Agency will provide pregnancy disability leave per State law, separate from family and medical leave. Pregnancy leave is defined as the time a female employee is temporarily disabled due to a pregnancy, childbirth or a related medical condition. Female employees should refer to the NCPA Policy and Procedures Manual for further information on Pregnancy Disability Leave.

Employees may also use accumulated vacation to supplement pay while on pregnancy leave and may be eligible for an unpaid medical leave that extends the total leave time by 12 weeks in a one-year period under FMLA. See Medical (FMLA) for further information on unpaid family leave (11.2).

If there is any conflict between this MOU and any state or federal statute, the statute will prevail.

Section 12 Vacation

- 12.1 Accrual of Vacation Leave Employees shall complete six (6) months of continuous service with the Agency before using accrued vacation leave. Each employee shall be entitled to vacation accrual as follows:

From date of employment to the fourth (4th) anniversary of full-time continuous service=10 days/80 hours per year.

From the day after the fourth (4th) anniversary to the eighth (8th) anniversary of full-time continuous service=15 days/120 hours.

From the day after the eighth (8th) anniversary of continuous service and beyond=20 days/160 hours.

- 12.2 Holidays During Vacation Any holiday occurring during a scheduled vacation shall be considered a holiday and not vacation.

- 12.3 Maximum Accrual It is the Policy of the Agency to allow represented employees to accrue up to two times the annual accrual level for which the employee is eligible and to STOP any further accrual of vacation in excess of that level. This is effective the first payroll period ending 2003.

- 12.4 Scheduling of Vacation Vacations must be scheduled in advance and be approved by the Agency. The Agency shall schedule vacations throughout the calendar year using two separate sign up periods: An "Early" sign-up to cover January 1, through March 31 and a "Later" sign-up to cover April 1 through December 31.

Both sign-up periods will occur early enough to provide each employee an opportunity to make his or her request known. The early sign-up period will begin on October 1 and end by December 5, of the previous calendar year so the results can be posted by December 15. The late sign-up period will begin on January 1, and will end by March 5 of the current calendar year so the results can be posted by March 15.

Those not signing up during the above sign-up periods may lose the ability to be granted their request(s) on the basis of seniority.

In cases of multiple requests or overlapping requests, preference will be given on the basis of Agency seniority. In cases of ties in Agency seniority, seniority in the classification shall be used.

If an employee elects to divide his/her annual vacation into two or more periods (a period equals one (1) week) on a sign-up schedule and it is possible for Agency to give effect thereto, such employee shall be given preferential consideration over other employees in his selection of only one of such periods until all other employees within the group have indicated their first choice of a vacation period. Where more than one employee in a headquarters or group desires to divide his/her vacation into two or more periods on a sign-up schedule, there shall be subsequent sign-ups as required for selection of open periods not filled by the previous sign-up. Sign-ups for additional periods shall be conducted in the same manner with the employee with the most service having his/her choice of vacation periods not yet selected. Consecutive scheduled work days that fall into more than one (1) work period will be considered a single and continuous vacation period.

Although the Agency will attempt to grant vacation as requested, it may be necessary to limit the number of employees who may be off at the same time in a headquarters, facility or classification to be able to provide the proper staffing and economic operation of the facility.

Factors to be considered by the Agency include appropriate staffing requirements, operational needs of the Agency, available relief and the additional overtime, if any, that will be required to grant the requests.

Employees may have an additional opportunity to sign-up for any vacation periods that were not filed by the previous sign-up period.

- 12.5 Voluntary Vacation Transfer Employees may voluntarily transfer vacation to an employee experiencing a medical emergency, including a medical condition of a family member, who has exhausted all accrued leave time in order to cover the employee's absence from work.

Section 13 Education

13.1 Meetings, Workshops, and Training Classes

When an employee is temporarily assigned to attend training classes at other than his or her regular headquarters, the following provisions will apply:

- (a) When arrangements are made for an employee to travel each day between his living quarters and the training location, he or she shall be given allowance for the time involved which is in excess of the time normally taken in traveling between his/her living quarters and his/her regular headquarters, and such compensation shall be considered time worked.
 - (b) If it is impracticable for an employee who attends training classes to return to his/her living headquarters each day, Agency shall, for the duration of the training assignments, provide \$45 per day for meals and other incidental expenses (receipts not required).
 - (c) An allowance for reasonable travel time incurred by an employee in traveling between his/her regular headquarters and the training location at the beginning and at the end of his/her training assignment shall be authorized to the extent that it exceeds the employee's normal commute. The time spent traveling to and from such an assignment shall be considered time worked.
- 13.2 Educational Leave and Tuition Reimbursement Solely at the Agency's discretion, the Agency may provide an educational leave and tuition reimbursement plan. The Agency may choose to reimburse expenses for tuition, books, and curriculum fees incurred by an employee for classes given by accredited institutions of learning or approved specialized training groups. Such programs must be related to the employee's job duties and must be approved in advance by the Human Resources Director or designee.

An employee may request an advance of funds subject to the approval of the Human Resources Director or designee. Advances may be granted for tuition, books and curriculum fees. If an advance is granted, the employee must present evidence that each course is satisfactorily completed. If a course for which an advance has been made is not satisfactorily completed, the employee will repay the Agency through deductions from the employee's pay in a sum to be determined at the sole discretion of the Agency. The Agency's administrative directives shall govern implementation of this policy.

Section 14 Insurance

- 14.1 Medical Insurance Medical insurance for employees and eligible dependents will be provided by the Agency. NCPA will pay up to a maximum of 90% of the PERS Choice family rate for the Sacramento area. Employees will pay 10% of the PERS Choice Family rate for the Sacramento area. (E.g. In 2013, Employer "max" contribution is \$1,452 per

month. Employee PERS Choice contribution is 10% = \$161.32 or higher if plan that costs more is selected).

The maximum NCPA contribution will apply to active employees and retirees. If an employee/retiree selects a medical plan with a monthly premium in excess of the NCPA maximum contribution, the employee shall pay the cost difference via a payroll deduction.

Employees may elect a monthly payment via paycheck in-lieu of the medical insurance coverage if they present proof of alternate medical insurance. The amount of the monthly payment will be:

Employee only coverage	\$250/mo.
Employee plus one coverage	\$370/mo.
Employee plus two or more coverage	\$475/mo.

14.2 Dental Insurance Dental insurance for the employee and eligible dependents will be paid by the Agency. There will be no co-pay on preventive work. There will be no co-pay on basic work if a preferred provider dentist provides the service. Otherwise basic and major services require a 15% co-payment. See the plan documents for more details.

14.3 Life Insurance Life insurance in the amount of approximately twice annual salary will be provided by the Agency to each employee through a carrier selected by the Agency. The employee may add an additional amount of life insurance totaling up to his or her annual salary by paying the applicable premium per month for each additional thousand dollars of coverage, at the Agency's cost. The payment will be made through payroll deduction. Eligibility for this provision is subject to the insurance company's requirements. Employees meeting the Agency's retirement qualifications may elect to continue life insurance coverage at their own expense at rates quoted by NCPA's life insurance carrier. The amount of life insurance may be equal to or lower than NCPA's standard coverage. The increments of coverage will be determined by the life insurance carrier.

14.4 Short-Term/Long-Term Disability and Worker's Compensation

(a) Short-term disability will be provided by the Agency for each eligible employee through a carrier selected by the Agency. The maximum weekly benefit would be up to a maximum of 180 days.

(b) Long-term disability will be provided by the Agency for each eligible employee through a carrier selected by the Agency. The maximum benefit will be up to \$8,100/month and would take effect at 180 days of disability.

(c) For non-work related injury, the amount of short or long term disability pay shall be 60% of standard monthly earnings (excluding overtime), or the maximum monthly benefit determined by the plan. This benefit supplements State Disability Insurance.

There may be a waiting period before these benefits begin. See Plan document for more details.

14.5 Workers' Compensation Worker's Compensation is provided by the Agency to provide coverage for work related injuries. Since Workers' Compensation rules and regulations are dictated by legislation they are subject to change from time to time. Information concerning Workers' Compensation is available through your Facility Office Administrator, Payroll or Human Resources.

If an employee receiving Workers' Compensation wishes to supplement the benefit, the employee must endorse the Workers' Compensation benefit check to the Agency. The Agency will then supplement the compensation up to one year from the date of injury as follows: For the first six (6) months the employee shall receive 85% of the standard base rate earnings for his/her job classification. For the second six (6) months of continuing

disability the employee shall receive 75% of the base rate earnings for his/her job classification. At the employee's option, he/she may give direction to payroll to utilize sick or vacation accrual in order to receive compensation comparable to base earnings for that pay period.

- 14.6 Vision Care Insurance The Agency will provide vision care insurance for each employee and his/her eligible dependents.
- 14.7 Flexible Spending Account NCPA will establish flexible spending accounts per NCPA policy 405.11 and will supplement the employee's accounts with a \$1,000 /year contribution.
- 14.8 Business Travel Accident Insurance A benefit of \$300,000 shall be provided in life insurance in the event an employee dies while traveling on business (as defined in the policy).

Section 15 Retirement Plan

- 15.1 CalPERS Retirement income is provided for current eligible employees by the Agency under the CalPERS 2.5% at age 55 retirement plan for members prior to January 1, 2013 (see CalPERS Local Misc. 2.5% at age 55 booklet). There is a 50% prior service credit for NCPA employees on the payroll as of April 7, 2002. Options added by NCPA to the plan are identified in Exhibit B and they apply to current and new members.

(a) Current CalPERS members:

Effective the first pay period in July 2013, the employee contribution will increase from 3.5% to 5.0% for all employees. Effective the first pay period in July 2014, the employee contribution will increase to 6.5% for all employees. Effective the first pay period in July 2015, current members will contribute the full 8% employee share. Employees on the payroll as of the end of 2012 are subject to those provisions of the Public Employee's Pension Reform Act of 2012 (PEPRA) that affect current employees.

(b) New hires/members as of 1/1/13 and beyond:

New hires/members are subject to PEPRA cost sharing for their retirement plan formula. These employees are also subject to all other provisions of PEPRA at the same time of hire when they are enrolled in the 2% at age 62 formula under CalPERS.

The acceptance of this plan is a condition of employment for new employees.

- 15.2 Post Retirement Health Insurance For those regular employees hired before December 31, 2008, post retirement health insurance is provided as part of the medical plan for the employee and his or her dependents. To be eligible an employee must meet CalPERS eligibility requirements, currently age 50 with a minimum of 5 years CalPERS service.

For those regular employees hired on or after January 1, 2009, post retirement medical insurance is provided under G.C. 22893 rules and requires a minimum of ten years of compensated CalPERS service time (not including air time), with five of the ten years served at NCPA to receive 50% of the employer premium contribution for medical insurance. Each additional service credit year after ten (10) years increases the employer premium contribution percentage by 5% until twenty (20) years at which time the retiree is eligible for 100% of the employer premium contribution toward family coverage.

Retirees may elect a monthly payment via check in-lieu of the medical insurance coverage if they present proof of alternate medical insurance. The amount of the monthly payment will be the same as for active employees (see Section 14.1).

Section 16 Grievance Procedure

16.1 General The purpose of this grievance procedure is to provide a just and equitable method for resolving complaints and disputes between the parties to this Agreement.

16.2 Grievance-Defined Grievance shall mean and refer to a complaint or dispute regarding the interpretation or application of a specific provision of this Agreement and/or written, Agency rules, regulations and policies referring to the employee's wages, hours or conditions of employment.

Subject to the definition set forth above, a grievance may be filed by an individual employee or by the Union on behalf of unit members or the Union as a whole.

16.3 Representation During all stages of the grievance procedure an employee may represent himself/herself or be represented by a Union steward. The Union reserves the right to close a grievance at any step of the grievance procedure without agreement of the grievant.

16.4 Step 1 Grievance

(a) An employee with a grievance shall first discuss the matter with the employee's immediate supervisor within fifteen (15) working days of the date the employee knew of or should have known of the matter supporting the grievance. The supervisor and the employee shall make every effort to resolve the dispute. A shop steward will be provided if requested by the employee.

(b) If the dispute is not resolved in the above oral step, the grievance may be reduced to writing and submitted by the employee/steward within five (5) working days of the unsuccessful oral discussion. The Plant Manager will schedule a meeting with the employee/steward within ten (10) working days upon receipt of the written grievance. A written response to the grievance will be provided to the steward within five (5) working days of meeting between the manager and employee/steward.

16.5 Step 2 Grievance

(a) Any grievance not resolved in the step 1 grievance procedure may be appealed by the employee/steward filing a written grievance with the Assistant General Manager within ten (10) working days after receipt of the step 1 written answer. The step 2 grievance shall be in writing and shall describe the grievance and the remedy requested as well as any relevant information relating to the grievance that the employee/steward wishes the Assistant General Manager to consider.

(b) The Assistant General Manager shall meet with the employee/steward within ten (10) working days of the receipt of the grievance. A written answer will be provided within five (5) working days of this meeting.

16.6 Time Conditions If the grievance is not presented by the employee within the time limits set forth above, it shall be considered waived and may not be pursued further. If a grievance is not appealed to the next step within the specified time limit or any agreed extension thereof it shall be considered settled on the basis of NCPA's last answer. If NCPA does not answer a grievance or an appeal thereof within the specified time limits, the aggrieved employee or the union may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step.

16.7 Grievance Committee

- (a) If the employee/steward is not satisfied with the decision of the Assistant General Manager, the employee may appeal by requesting the Human Resources Director in writing to submit the grievance to a Grievance Committee. Such request must be made within 10 working days after receiving the decision of the Assistant General Manager.
- (b) The Grievance Committee shall consist of five individuals. Two individuals shall be designated by the Human Resources Director, provided that the immediate supervisor of the employee shall not be one of the individuals so designated. The employee/steward shall select a maximum two other committee members from a list of employees eligible to participate (as defined below) on the Grievance Panel. No participant (i.e., grievant, witness or otherwise involved party) may sit on the Grievance Committee. The Union may annually ask its members if they wish to be on the Grievance Panel. A list of volunteers shall be supplied to NCPA. The fifth member of the committee shall be assigned by the California Office of Mediation and Conciliation. The fifth member shall be referred to as the "Hearing Officer".
- (c) The Grievance Committee shall meet at the time and place designated by the Human Resources Director. The Hearing Officer shall serve as the chairperson for the Committee. The Grievance Committee shall allow the grievant, steward, and or Business Representative and the Agency to speak and to present evidence and witnesses, and shall issue a written report on the grievance. The written report shall state one of the following: (1) grievance upheld; or (2) grievance denied. A majority vote of the Grievance Committee shall constitute the action on the grievance.

16.8 Review by General Manager If the employee/steward or Business Representative is not satisfied with the decision of the Grievance Committee or if the Grievance Committee is deadlocked, the grievance may be appealed in writing to the General Manager within ten (10) working days of the decision of the Grievance Committee. The appeal shall state the reasons therefore. The Human Resources Director shall submit the documentation and information submitted to the Grievance Committee to the General Manager. The General Manager's decision shall be final and rendered within thirty (30) working days.

16.9 The time lines with the exception of the initial time line in 16.4 may be extended by mutual agreement between the Agency and the Union.

16.10 Shop Steward Shop stewards shall be employees of the Agency, and the Union may designate a reasonable number of shop stewards which should include at least one from the CT Lodi facility and one from the Geothermal facility for the proper administration of its affairs and for the administration of the provisions of this agreement. The shop stewards will be assigned by IBEW Local 1245 upon notification to the Agency. Any release from job duties is at the reasonable discretion of the Agency.

Section 17 Position Bidding

- (a) All physical employee employment openings within the Agency will be posted before considering applicants outside the Agency. NCPA may advertise outside the Agency at the time openings are posted.
- (b) Continue using the structured oral interview process for employee selections based on education, experience, seniority and training. Bid postings will be posted a minimum of fourteen calendar days.

- (1) When a geothermal employee applies for an opening at the Combustion Turbine Facilities and meets the minimum requirements for the Combustion Turbine Specialist job, he/she will be given first consideration for selection before a qualified external applicant. Exception: If the Combustion Turbine Facility opening requires specific electrical/technical skills, first consideration will be given to Technician Operators from the Geothermal Facility before considering external applicants.
- (2) When an opening is posted at the Geothermal Facility, geothermal employees meeting the requirements of the job will receive first consideration for selection. Thereafter, qualified internal applicants from the Combustion Turbine Facilities will receive second consideration for selection for geothermal openings.
- (c) Selection panels will be comprised of the Human Resources Director or his/her representative and at least two other supervisory employees selected by NCPA. The panel may be comprised of outside raters or a combination of both inside and outside raters as determined by the Human Resources Director.
- (d) The Human Resources Director will, at his/her option, prepare a supplemental application for each position listing the qualifications that are required for the position. Each bidder is required to complete the supplemental application to be considered.

17.1 Confirmation of Required Driver's License

Employees who drive Agency vehicles or personal vehicles in the course of their job duties must have a valid driver's license and insurance.

- (a) The Agency shall have the right, upon request, to demand confirmation that any employee or applicant whose job description includes the requirement that the employee possesses a valid and appropriate driver's license, possess such a license. The employee shall cooperate with the Agency in filing any request for information through the Department of Motor Vehicles.
- (b) Employees must immediately notify their Plant Manager if their license is suspended or revoked and he/she may not drive an Agency or personal vehicle in the course of their job.

Section 18 Intentionally Left Blank

Section 19 Layoff or Reduction in Force

An employee's service, as defined in Section 2.2 "Service" shall be the determining factor in the application of this section. The Agency will give an employee, who is to be laid off or demoted in connection with a reduction in force as much notice as possible; but, not less than ten (10) working days. The employee will be further advised as to whether there are any other jobs to which such employee may exercise an election by filling a vacancy or by displacing another employee.

An employee may not elect to displace another employee whose service is equal to or greater than his own. An employee may not displace an employee in a classification having a wage rate higher than that of his own classification, except where such classification is considered to be the same in accordance with a line of progression.

In the application of this section; casual, provisional and part-time employees are considered to be a different classification than full-time employees under the same job title. Casual,

provisional, and part-time employees will not be able to displace full-time employees regardless of seniority.

An employee shall not be placed in a job unless qualified to perform the duties.

When a demotion or displacement is to be made, the employee with the least service in such classification shall be demoted to the next lower classification in the reverse order of normal line of progression. If successive demotions, the same procedure shall apply at each step until the employee is placed in another job or he/she is laid off.

If an employee cannot effect a demotion or displacement in his/her current line of progression, the employee may, if such employee has previously qualified in any other classification in another line of progression in the Agency, elect to displace the person in such classification and line of progression in the employee's division who has the least service. (Divisions are: Geothermal Power Plants - and Combustion Turbine.) An employee may exercise an election under the provisions of this section only when it is for the purpose of returning to the line of progression in which the employee worked immediately prior to entering the line of progression from which the election was exercised.

If more than one demotion is to be made, the procedure shall first be applied to the highest classification to be affected, and then to successively lower classifications.

Casual, provisional and part-time employees can only displace other casual, provisional and part-time employees in the same or lower classifications within their normal line of progression, with respect to their "employment" date. The Agency shall not layoff any full-time employees until all casual, provisional and part-time positions have been eliminated. Nor shall the Agency demote any employee from a classification that a casual, provisional or part-time employee may be filling.

In the event the Agency determines that a permanent downsizing of employees is required;

Application #1 will apply to those affected employees.

- (a) Company determines the department, headquarters, classifications and number of employees to be effected.
- (b) Those employees in division, department, and classification to be effected will be offered the severance package (NCPA Policy 411). The senior volunteers electing to accept the offer will receive the severance package, except that the number of employees receiving the severance package will not exceed the number of employees the Agency has determined will be affected under (a) above.
- (c) Such employees who elect the severance package Application 1 are considered to have resigned their employment with the Agency and therefore, have no preferential rehire rights under 19.2.

Application #2

- (a) If there are insufficient volunteers under Application 1, the normal displacement and layoff provisions of the MOU will be effected.
- (b) Employees laid off pursuant to section 19 of the MOU will receive the severance package as defined above, but with rehire rights.

19.1 Demotion into the Bargaining Unit No employee shall be allowed to demote into the bargaining unit who has completed the probationary period in the position from which the employee

is being demoted. As used in this section, the term "demotion" pertains to displacement due to layoff and does not refer to disciplinary demotions.

19.2 Re-Employment Rights Employees shall have re-employment rights to future vacancies in such classifications from which they were laid off, including employees who elected to take a demotion in lieu of a layoff. The name of laid off and demoted employees shall be placed on the preferred list for their classification, in the inverse order of layoff or demotion.

For a period of two (2) years from the date of layoff or demotion, all vacancies in the effected classification must first be attempted to be filled from the preferred list.

Section 20 Discipline and Evaluation

20.1 Regular employees shall receive annual performance appraisals on or about the anniversary date of their employment or other date set by the supervisor.

20.2 Employees shall be disciplined in accordance with NCPA Policy No. 415.11, Discipline Policy.

Section 21 Employer and Employee Rights

21.1 Employer's Rights Subject to state law and the provisions of the Agency's Employer-Employee Relations Policy, the rights of the Agency through its commission and management include, but are not limited to: the exclusive right to determine the mission of its constituent departments; set standards and work of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action in accordance with law and the rules and procedures of the Agency; relieve its employees from duty because of lack of work or other lawful reasons; maintain the efficiency of Agency operations; determine the method, means and numbers and kinds of personnel by which Agency operations are to be conducted; determine the content and intent of job classifications; determine methods of financing; take all necessary actions to carry out its mission in emergencies; and exercise control and discretion over its organization and the technology of performing its work.

21.2 Employee's Rights As provided in state law and the Agency's Employer-Employee Relations Policy, employees of the Agency shall have the right to form and participate in the activities of an employee Union of their own choosing for the purpose of representation on matters of employer-employee relations, including but not limited to wages, hours and other terms and conditions of employment. Employees of the Agency shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the Agency.

21.3 Safety Committee Representation The Union shall be entitled to assign one member and an alternate from the Geothermal and Combustion Turbine organizations to the Agency's Safety Committee. Only the one member from each organization will attend Safety Committee meetings and be paid by the Agency unless prior approval of management is agreed upon. In addition, the safety coordinator position at the geothermal location will attend Safety Committee meetings.

21.4 Payroll Deductions Upon receipt of an authorized payroll deduction form, the Agency shall deduct Union dues/fees from employees pay and promptly pay over to the designated payee all sums so deducted. The employee's earnings must be sufficient after other legal and required deductions are made to cover the amount of deduction authorized.

Section 22 Notice

- 22.1. Notice The Agency and Union recognize and agree to be bound by the notice requirements of Government Code section 3504.5.

Notice of proposed act relating to matters within scope of representation- meeting emergencies.

Except in cases of emergency as provided in this section, the governing body of a public agency, and boards and commissions designed by law or by such governing body, shall give reasonable written notice to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or such boards and commissions and shall give such recognized employee organization the opportunity to meet with the governing body or such boards and commissions.

In cases of emergency when the governing body or such boards and commissions determine that an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meeting with a recognized employee organization, the governing body or such boards and commissions shall provide such notice and opportunity to meet at the earliest practicable time following the adoption of such ordinance, rule, resolution, or regulation.

- 22.2. Personnel Rules and Regulations Not Affected It is understood that the Agency has adopted certain personnel rules and regulations, which are applicable to all employees of the Agency, including those, covered by this MOU. Nothing in this memorandum is intended to supersede or modify any such rule or regulation unless expressly provided by specific reference to the applicable rule or regulation.

- 22.3. Union Bulletin Board The Agency will provide one bulletin board at each of the following locations for posting Union business:

Geothermal Plant 1
Geothermal Plant 2
Combustion Turbine Project - Lodi

Section 23 Bargaining Unit Work

Supervisors and unrepresented employees of the Agency will not normally perform work assigned to employees covered by this MOU, including call-out and overtime work.

This will not preclude supervisors from performing bargaining unit work in the event of unavailability of qualified bargaining unit personnel.

Section 24 Term and Effect of Agreement

- 24.1. Term This Agreement shall be effective the first day of the first payroll period for 2013 and shall remain in effect through the last payroll period ending in 2015. Thereafter, the wage increases shall be effective the first pay period in the respective calendar year.

This Agreement shall be automatically renewed and extended from year to year thereafter without addition, change or amendment unless either party serves notice in writing to the other party not less than one hundred and twenty (120) days before the end of the term then in existence of its desire to terminate, change, amend or add to this agreement. In the event of notice being given as provided above, written proposals for changes in the terms of the agreement shall be submitted ninety (90) days prior to the expiration date.

- 24.2 Effect During the term of this Agreement, its provisions shall govern the wages, hours, benefits and working conditions of employees within the job classifications covered by this Agreement. Neither party hereto shall be required to meet and confer upon matters set forth in this Agreement, except that the parties may meet and confer during the term of this Agreement on any matter within the scope of representation where:
- (a) The matter is not covered by this Agreement or was not expressly raised as an issue during the meet-and-confer process by which this Agreement arose; and
 - (b) There has been a significant change in circumstances with respect to such matter, which could not have been reasonably anticipated by the parties at the time they signed this Agreement.

Nothing in this section shall relieve the Agency of its obligations to the Union as recognized in Section 15.1.

- 24.3 Conflicts To the extent there is a conflict, it is understood and agreed that the specific provisions contained in this Agreement shall prevail over Agency rules, regulations, policies and procedures pertaining to the same subject matter. It is further understood and agreed that in the absence of such conflict, such rules, regulations, policies and procedures remain in full force and effect and applicable to the bargaining unit members.
- 24.4 Complete Understanding The terms and conditions set forth in this Agreement represent the full and complete understanding and commitment between the parties. The terms and conditions may be altered, changed, added to, deleted from, or modified only through the voluntary and initial consent of the parties in a written amendment to the Agreement. During the term of this Agreement, the parties agree that neither the Union nor the Agency shall be obligated to reopen or renegotiate any of the provisions of this Agreement except as noted in Section 24.2.
- 24.5 Successor Agreement This Agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms or obligations herein contained shall be affected, modified, altered or changed in any respect whatsoever by the consolidation, merger, sale, transfer or assignment of either party hereto, or affected, modified, altered or changed in any respect whatsoever by any change of any kind of ownership or management of either party or by change, geographical or otherwise, in the location or place of business of either party hereto.

Section 25 Contract Lease Agreements

Should the Agency acquire or enter into lease agreements with other entities for the purpose of operating geothermal or combustion turbine facilities currently not under the control of the Agency, the Agency shall determine the representational rights of those classifications involved in the operation and maintenance of those facilities and shall assign those classifications to the appropriate bargaining unit. In the event there is any dispute between the Agency and the Union concerning the assignment of classifications, the dispute shall be resolved pursuant to the Agency's unit modification procedure.

Northern California Power Agency:

By: _____
James H. Pope, General Manager

International Brotherhood of Electrical Workers Meet and Confer Committee Members:

By: _____
Ray Thomas, Business Representative

By: _____
JV Macor, Business Representative

By: _____
Hershel Allen, Shop Steward/GEO

By: _____
Clay Ames, Steward/GEO

By: _____
Jerry Pangle/GEO Representative

By: _____
John Quitter/CT-LEC Representative

The above Memorandum of Understanding is hereby ratified and confirmed
this _____ day of _____ 2012, by the
International Brotherhood of Electrical Workers, AFL-CIO Local Union 1245.

By: _____
Tom Dalzell, Business Manager

Exhibit A

Geothermal/Combustion Turbine Broadband Wages

Exhibit B

Options Added to CalPERS Retirement Plan