



MEMORANDUM OF UNDERSTANDING

between

PADRE DAM MUNICIPAL WATER DISTRICT

and

**PADRE DAM MUNICIPAL WATER DISTRICT
EMPLOYEES ASSOCIATION**

2007-2012

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ARTICLE 1

PREAMBLE

1.1 General

This Memorandum of Understanding (“MOU”) is between the Padre Dam Municipal Water District (hereinafter referred to as “Padre Dam”) and the Padre Dam Municipal Water District Employees Association (hereinafter referred to as the “PDEA”) for the purposes of setting forth a mutual understanding of the parties as to the wages, hours and other terms and conditions of employment of those employees represented by PDEA.

The Employees and Management have formed a Workforce Partnership through the Employee Involvement Team (EIT) as defined in the EIT Charter formally adopted on June 11, 1997. This process has been renewed on a regular basis, the most recent being in 2005 for a four year term.

Department level labor-management cooperation is achieved through “link-pins” which provide forums for problem solving and decision making on issues of interest. EIT members participate in each Link Pin, and form a liaison to the EIT. This structure has a role in the implementation of some of the articles in this MOU.

Much of the groundwork for this MOU was laid during the 1998 revision. Many of the concepts and articles for which there were no issues between the parties, have been retained from previous MOUs. New articles described herein were developed through cooperative processes. This document is one of the keys to making Padre Dam an even more successful organization.

ARTICLE 2

RECOGNITION

2.1 Definition of Bargaining Unit

Padre Dam recognizes PDEA as the bargaining representative for all employees of Padre Dam Municipal Water District other than management and confidential employees and those employees who elect to represent themselves.

2.2 New and/or Change of Classifications

If new classifications are established by Padre Dam and added to the bargaining unit or if the duties of existing classifications are changed, a proposed wage scale shall

be assigned thereto, and Padre Dam shall forward the changed/proposed class and proposed wage to PDEA for review. If PDEA does not respond in writing within seven (7) days of the receipt of such written notice, Padre Dam will assume PDEA does not wish to discuss the proposed changes and will implement same.

PDEA shall be granted an automatic seven (7) day extension at the request of a PDEA Board Member by notifying the General Manager, or his designee, of the requested extension. Should PDEA respond within seven (7) days of the date of receipt of such written notice, or in the case of a requested extension within fourteen (14) days, Padre Dam agrees to meet and confer with PDEA in order to freely exchange information, opinions and proposals relating specifically to the proposed changes prior to their implementation.

ARTICLE 3

ASSOCIATION SECURITY

3.1 Open Shop

Padre Dam agrees to deduct from the paycheck of each employee within the bargaining unit who has signed an authorized payroll deduction card such amount as has been designated by PDEA as Association dues and as so certified by the Treasurer of PDEA. PDEA will certify to Padre Dam, in writing, the current rate of membership dues. Padre Dam will be notified of any change in the rate of membership dues thirty (30) days prior to the effective date of such change. Padre Dam will require the submission of new deduction authorization forms when PDEA changes its membership dues.

Such funds will be remitted by Padre Dam to the Treasurer of PDEA within one (1) month after being withheld from the employee. The employee's authorization for such deductions is revocable at will of the employee, and may be so terminated at any time by the employee giving thirty (30) days written notice to Padre Dam and PDEA or upon termination of employment.

Padre Dam will not be required to honor any bi-weekly deduction authorizations that are delivered to the Accounting Department after the beginning of the pay period during which the deduction should start.

3.2 Discrimination Prohibited

Employees shall not be discriminated against, interfered with, intimidated, restrained, or coerced (by either Padre Dam or PDEA) because they form, join and participate in the activities of PDEA; they refuse to join or refuse to participate in the

activities of PDEA; or they represent themselves individually in their employment relations with Padre Dam.

3.3 Internal Association Matters

Padre Dam recognizes the right of PDEA to govern its internal affairs.

3.4 Employee Rights

Employees shall have the right to refuse to join or to participate in the activities of PDEA.

Employees shall have the right to represent themselves individually in their employment with Padre Dam. A member of PDEA who at any time wishes to represent him/herself individually in his/her employment relations with Padre Dam may do so upon filing a written statement to that effect with the Director of Human Resources. The employee shall not be considered as being represented by PDEA while such an unrevoked written statement is on file.

ARTICLE 4

MANAGEMENT RIGHTS

4.1 General

It is understood and agreed that Padre Dam possesses the sole right and authority to operate and direct the employees of Padre Dam and its various departments in all aspects, including, but not limited to, all rights and authority exercised by Padre Dam prior to the execution of this Memorandum of Understanding, except as modified in this MOU. These rights include, but are not limited to:

- a) The right to determine its mission, policies, and to set forth all standards of service offered to the public;
- b) To plan, direct, control and determine the operations or services to be conducted by employees of Padre Dam;
- c) To determine the methods, means, number of personnel needed to carry out Padre Dam's mission;
- d) To direct the working forces;
- e) To hire and assign or to transfer employees within the departments;

- f) To promote, suspend, discipline or discharge consistent with the terms of this MOU;
- g) To layoff or relieve employees due to lack of work or funds or for other legitimate reasons;
- h) To make, publish, and enforce rules and regulations for matters not within the scope of, or consistent with, the meet and confer process;
- i) To introduce new or improved methods, equipment or facilities;
- j) To contract out for goods and for services, subject to meet and confer where legally necessary;
- k) To take any and all actions as may be necessary to carry out the mission of Padre Dam in situations of civil emergency as may be declared by the Board of Directors or the General Manager or his designee; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this MOU.

The Board of Directors has the sole authority to determine the purpose and mission of Padre Dam and the amount of budget to be adopted thereto.

ARTICLE 5

WORK RULES

5.1 Primacy of MOU

The terms and conditions of this MOU shall be approved by resolution of the Padre Dam Board of Directors and shall supersede all other ordinances and resolutions conflicting with the terms of this MOU.

5.2 Notice of New Work Rules

If new work rules are proposed by Padre Dam or if Padre Dam proposes changes to existing work rules, Padre Dam shall forward the proposed work rules to PDEA for review. If PDEA does not respond in writing within seven (7) days of the receipt of such written notice, Padre Dam will assume PDEA does not wish to meet and confer regarding the proposed changes and Padre Dam may adopt such changes.

PDEA shall be granted an automatic seven (7) day extension at the request of a PDEA Board Member by notifying the General Manager, or his designee, of the requested extension. Should PDEA respond within seven (7) days of the date of receipt of such written notice, or in the case of a requested extension within fourteen (14) days, Padre Dam agrees to meet and confer with PDEA in order to freely exchange information, opinions and proposals relating specifically to the proposed changes prior to their implementation.

ARTICLE 6

MEET AND CONFER

6.1 Association Representatives

No more than four members of PDEA's negotiating team shall be allowed to attend meet and confer sessions for a successor to this MOU on on-duty status.

6.2 Commencement of Meet and Confer Sessions

The first meeting will be held no later than twenty (20) calendar days after Padre Dam or PDEA receives such notification from the other. At this meeting, each side shall set forth sections to be revised and the proposed revisions thereto. In the event of such notice, each article of this MOU not referred to in such notice of specifications of sections to be revised shall remain in full force and effect throughout the subsequent MOU year(s).

Meet and confer sessions for future memoranda of understanding shall commence on a date so that negotiations may be completed, if possible, by the first Board of Directors meeting in June of that year.

ARTICLE 7

ACCESS TO DISTRICT FACILITIES AND INFORMATION

7.1 Access by Non-Employee Association Representatives

Authorized non-employee Association representatives will be given access to work locations during working hours to post bulletins on bulletin boards without unreasonable interference with employee work. PDEA shall give the Director of Human Resources a written list of such authorized Association representatives. Only those people whose names appear on the current list shall be granted access under this provision.

7.2 Access to New Hires

Padre Dam shall, once per month, make available to the PDEA President a list of the names, home addresses, and work locations of all newly hired employees. The President of PDEA, or designee, shall be entitled to contact all newly hired employees for the purpose of providing the employee with an Association brochure and other information about PDEA. These activities will be conducted on the President's and the newly hired employee's own time.

7.3 Access to District Information

Padre Dam will make available to PDEA such non-confidential information pertaining to employment relations as is contained in the public records of Padre Dam, subject to the limitations of the California Public Records Act (Government Code Sections 6250-6260). Requests for such information shall be made to the Director of Human Resources, and such information shall be made available during regular office hours after payment of reasonable costs of duplication, if duplication is requested. Nothing herein shall be construed as requiring Padre Dam to furnish confidential information or to do research, to assemble information, or to compile data.

PDEA agrees that it will furnish sufficient information as to the relevancy of their request to negotiations or enforcement of this MOU.

7.4 Notice of Board of Directors Meetings

Padre Dam will post on District bulletin boards a copy of Padre Dam Board's regular public meeting agenda in advance of the regular Board meeting.

ARTICLE 8

BULLETIN BOARDS

8.1 General

Padre Dam agrees that PDEA shall have adequate space made available in conspicuous locations at each facility operated by Padre Dam for the purpose of posting bargaining agent notices to members of the bargaining unit.

ARTICLE 9

ASSOCIATION REPRESENTATION

9.1 Shop Stewards

To provide employees with reasonable access to Association representation, it is understood and agreed that PDEA may appoint certain employees to serve in the capacity of steward. Such stewards may, on his/her own time, receive, investigate and process complaints or grievances of employees. When the nature of the grievance requires immediate action, i.e., irreparable harm to an employee, stewards may be permitted to leave their regular work area upon request to, and approval by, their department head. Such request shall not be unreasonably denied.

PDEA shall notify the Director of Human Resources in writing of those employees designated as shop stewards.

ARTICLE 10

DISCIPLINE

10.1 Disciplinary Action

10.1.1 Disciplinary Actions Subject to Notice and Hearing Procedures (Non-Exempt Employees)

The following disciplinary actions may be taken against a permanent non-exempt employee either by the General Manager or such management personnel as he may designate:

Suspension from duty: An ordered interruption of duties for more than one day without pay.

Salary reduction: A reduction in pay from the employee's current step within a pay range to any lower step within that same range, as such range is recorded in Padre Dam's current salary schedule.

Demotion: A reduction from a position in one class to a position in another class having a lower salary range effected for disciplinary purposes. (Demotions resulting from an employee's inability to perform required duties, organizational changes, or layoffs are not disciplinary.)

Dismissal: Discharge from District service.

10.1.2 **Disciplinary Actions Not Subject to Notice and Hearing Procedures
(Non-Exempt Employees)**.

The following disciplinary actions may be taken against any non-exempt employee by the General Manager or such management personnel as he may designate without compliance with the procedures set forth in Section 10.2 hereof, but such actions may be reviewed in accordance with the grievance procedures of Padre Dam if requested by the employee:

1. Reprimand, which may be oral or in writing or both.
2. Change in working hours.
3. Reassignment not entailing a salary reduction, demotion or assumption of duties in a higher paid classification.

10.1.3 **Disciplinary Actions Subject to Notice and Hearing Procedures
(Exempt Employees)**

Upon compliance with the procedures set forth in Article 10.2 hereof, the following disciplinary actions may be taken against a permanent exempt employee either by the General Manager or such management personnel as he may designate:

1. Suspension from duty: An ordered interruption of duties for more than five days without pay.
2. Salary reduction: A reduction in pay from the employee's current step within a pay range to any lower step within that same range, as such range is recorded in Padre Dam's current salary schedule.
3. Demotion: A reduction from a position in one class to a position in another class having a lower salary range effected for disciplinary purposes. (Demotions resulting from employee's inability to perform required duties, organizational changes, or layoffs are not disciplinary.)
4. Dismissal: Discharge from District service.

10.1.4 **Disciplinary Actions Not Subject to Notice and Hearing Procedures (Exempt Employees)**

The following disciplinary actions may be taken against any exempt employee by the General Manager or such management personnel as he may designate without compliance with the procedures set forth in Section 10.2 hereof, but such actions may be reviewed in accordance with the grievance procedures of Padre Dam if requested by the employee:

1. Reprimand, which may be oral or in writing or both.
2. Suspension for more than one day with pay.
3. Change in working hours.
4. Reassignment not entailing a salary reduction, demotion or assumption of duties in a higher paid classification.

10.1.5 **Causes for Disciplinary Action.**

It is intended that discipline be imposed primarily for corrective purposes and to address deficiencies in work performance. The following is a non-exclusive list of the more common reasons for disciplinary action:

1. Actions contrary to the rules of Padre Dam.
2. Inefficiency or incompetence.
3. Willful disobedience or insubordination.
4. Self-inflicted abuse that would affect the physical or mental ability to perform the job.
5. Dishonesty.
6. Consumption of alcoholic beverages while on duty or on District premises (except at Park grounds or District social functions while off duty).
7. Intoxication while on duty.
8. Use of non-prescribed prescription or illegal drugs or narcotics while on duty or on District premises.

9. Disorderly or immoral conduct while on duty or while in District uniform.
10. Discourteous treatment of the public.
11. Conviction of a felony.
12. Unauthorized absence from work.
13. Neglect of duty.
14. Action incompatible with or inimical to public service.
15. Failure to follow safe working practices.
16. Failure to report an injury promptly.
17. Failure to report significant unsafe working practices to supervisor.
18. Possession or use of a firearm or other weapon while on duty or on District premises (except when locked inside personal vehicle) or while in District uniform or while at District functions.
19. Violation of any section of the Ethics Policy (Standard Practices & Policies, Section 20).

10.2 **Disciplinary Procedures for Permanent Employees**

10.2.1 **Purpose.** To insure that all permanent employees are fairly treated when subjected to disciplinary action described in Sections 10.1.1 and 10.1.3 of Article 10 hereof, this section sets forth the procedure for taking such action.

10.2.2 **Investigations Prior to Disciplinary Action.** Any employee who is the subject of an investigation by the Director of Human Resources and/or General Manager concerning an act which, if proven, could reasonably result in disciplinary action against him or her will be afforded the following safeguards:

(1) The employee will be informed of the nature of the investigation and allegations and afforded the opportunity to consult with an Association representative prior to an interview, except as indicated below. The employee shall be allowed the right to have an Association representative present during the interview. The opportunity to consult with PDEA representative or to have PDEA representative present at the interview shall not delay the interview for more than twenty-four (24) hours. In

cases of emergency or requiring immediate action, no delay of more than one hour will be allowed for purposes of consulting with or having an Association representative present.

(2) All interviews shall be limited in scope to activities, circumstances, events, conduct or acts which pertain to the incident, or recurring similar incidents, which are the subject of the investigation.

(3) Interviews shall be done under circumstances free of intimidation, abuse or coercion.

(4) The employee shall be advised of the results of the investigation and any future action to be taken on the incident.

10.2.3 Notice of Proposed Action. Before dismissing or otherwise disciplining a permanent employee, Padre Dam shall deliver to the employee a written notice of its intention to dismiss or otherwise discipline the employee. Such notice shall be personally served on the employee or sent by registered or certified mail to the employee's place of residence as shown on the records of Padre Dam. The notice shall be served or mailed not less than seven days prior to the proposed disciplinary action and shall contain the following:

1. The kind and effective date of the proposed disciplinary action.
2. The specific charges upon which such action has been proposed and the reasons why such action is being taken. Such charges shall contain any information essential to give the employee a fair opportunity to answer the charges made. Such information shall include, but is not limited to, names, times, dates, places or numbers that may be pertinent to the charges made.
3. If such charges are based upon documents or materials, the notice shall inform the employee of this fact, and shall inform the employee as to the location of such documents or materials. If available and subject to duplication, copies of such documents and materials shall be furnished to the employee with the notice.
4. A time and date for the filing by the employee of written response and for presentment of any oral response, which date shall not be less than seven days after the notice is served on or mailed to the employee, whichever occurs first.

10.2.4 Response of Employee. The employee shall have the right to respond, either orally or in writing, or both, no later than the time and date provided in the notice to the employee. The time for response may be extended by the General

Manager for a reasonable period if the General Manager determines it to be necessary to provide the employee with a fair opportunity to answer the charges made. Written responses shall be delivered to the General Manager. If the employee desires to make an oral response, the employee shall give written notice to the General Manager of this fact at least two days before the time and date stated in the notice for presentment of the oral response. Failure of the employee to give such notice shall constitute a waiver by the employee of any right to present an oral response.

10.2.5 Oral Response. If the employee gives the notice provided for in Section 10.2.4 hereof, the oral response of the employee shall be presented to the General Manager. At the time of the employee's oral response, the employee shall have the right to be represented by counsel or by a representative of a recognized employee organization, or both. The employee shall have the right to present evidence and to examine adverse witnesses. If the employee desires to have any other available employee present at the time of the oral response in order to present evidence or to examine adverse witnesses, the employee shall, at least two days before the time scheduled for the oral response, file a written request with the General Manager requesting the presence of such persons at the time scheduled for the oral response. The General Manager may continue the matter for a reasonable period until such persons can be present. The proceedings at which the oral response is presented shall be preserved in summary form, but may be recorded and transcribed in full.

10.2.6 Determination by General Manager. Upon expiration of the period of time set forth in Padre Dam's notice to the employee, or if an oral response is presented, upon completion of the response, whichever is later, the General Manager shall review the matter, including any response of the employee and his representatives and any evidence presented, and shall make a determination as to whether to discharge or otherwise discipline the employee. The General Manager shall notify the employee in writing of his determination. Such notice shall be personally served on the employee or shall be sent by registered or certified mail to the employee's place of residence as shown on the records of Padre Dam.

10.2.7 Disqualification of General Manager. If prior to the time set for consideration of the response, the General Manager has become so involved in the matter as to create an actual bias against the employee which prevents the General Manager from fairly considering the response of the employee, the General Manager shall so advise the President of the Board of Directors, who shall thereupon appoint another person to act on behalf of and in place of the General Manager. However, mere prior knowledge of the factual background of the matter shall not, in and of itself, disqualify the General Manager.

10.2.8 Appeal of Decision of General Manager. An employee or former

employee dissatisfied with the determination made by the General Manager may appeal the determination to an independent fact finder/arbitrator, provided that a written notice of appeal is filed with the General Manager no later than ten (10) working days after the date of personal service or mailing of the notice of the General Manager's determination, whichever is sooner. A mutually agreed upon list of independent fact finders/arbitrators shall be maintained by PDEA and Padre Dam. If a timely appeal is filed with the General Manager, Padre Dam shall schedule a hearing within thirty (30) days of the date of filing of the notice of appeal, and shall notify the employee or former employee of the time and date fixed for the hearing. At the hearing, the employee shall have the right to be represented by counsel or by a representative of PDEA, or both. The employee shall have the right to present evidence and to examine adverse witnesses. The employee shall, at least five calendar days before the scheduled hearing, file a written request with the General Manager requesting the presence of other employees at the hearing. If such persons can be made available without unduly interfering with the operations of Padre Dam, the General Manager shall cause such person to be present at the time of the hearing. The fact finder/arbitrator may continue the hearing for a reasonable period until such persons can be present. The hearing shall be recorded and transcribed in full. The hearing shall be conducted in such a manner as to afford procedural due process to the parties.

10.2.9 Determination of Appeal. If an appeal is taken upon conclusion of the hearing, the fact finder/arbitrator shall review the matter, including any evidence presented at the hearing, and shall make a proposed decision as to whether to confirm the determination of the General Manager. The fact finder/arbitrator shall have the power to recommend reinstatement of a discharged employee and/or impose different discipline upon the employee. Within thirty (30) calendar days after the conclusion of the hearing, the fact finder/arbitrator shall certify the findings and decisions in writing and/ or orally to the Board of Directors. The Board of Directors may then affirm, revoke or modify the action taken as, in its judgment seems warranted, and the action taken shall be final. If the Board of Directors rejects the proposed decision, it may decide the matter upon the record, including the transcript, or upon an agreed statement of the parties, with or without taking additional evidence.

10.2.10 Status of Employee. During the period prior to the determination of the matter by the General Manager, the employee may be suspended from performance of his or her duties with pay or may be reassigned to other duties. If the final determination of the General Manager is to discharge an employee, the effective date of the discharge shall be the date that the notice of determination is personally served or mailed pursuant to Section 10.2.6 hereof.

10.2.11 Judicial Review. Judicial review of any decision of Padre Dam, or of any commission, committee, board, officer or agent thereof dismissing or otherwise

disciplining an employee, which decision is subject to review under Code of Civil Procedures Section 1094.5, may be had pursuant to Code of Civil Procedure Section 1094.5 only if the petition for writ of mandate is filed within the time limit specified in Code of Civil Procedure Section 1094.6.

10.3 Personnel Reduction

If Padre Dam determines that it will be necessary to reduce personnel, whenever possible Padre Dam will inform the employee or employees involved at least thirty (30) days prior to the effective date of layoff.

In lieu of layoff, a qualified employee upon request will be given the opportunity to (a) transfer to a position in the same class or (b) demote to a position in a lower class which the employee possesses the specialized skills of the position or has formerly worked for Padre Dam in the lower class, should a vacancy be available or become available within one year. If more than one employee is affected by a reduction in personnel, and where skill and ability are relatively equal, then seniority for transfer and demotion in lieu of layoff will determine which employee is placed in another position. Determination of seniority will be by total length of service with Padre Dam and not by length of service in the employee's present job classification.

Employees subject to layoff will be laid off in reverse order of seniority with Padre Dam, where skill and ability are relatively equal and by employment status. The first group to be laid off will be those with temporary status. The second group to be laid off will be employees not yet completing their one year probationary period following original employment. The third group to be laid off will be permanent employees rated less than competent on the last performance evaluation. The fourth group to be laid off will be permanent employees rated competent or better on the last performance evaluation. Layoff will be according to reverse seniority within each group where skill and ability are relatively equal.

When a vacancy occurs in a position from which an employee has been laid off or transferred or demoted in lieu of layoff, or when a vacancy occurs in any other position for which said employee may possess the necessary specialized skills within one year from the date of such layoff, transfer or demotion, the vacancy will be offered to that employee or employees in order of their skill and ability, seniority and employment status with Padre Dam at the time of such layoff, transfer or demotion before Padre Dam will attempt to recruit outside Padre Dam. Recall for employment offers will be in the reverse order of layoff as previously stated. (A rehire list shall be maintained by Padre Dam for the 12 month period following reduction, transfer or demotion. In the event an employee on the rehire list is offered a position in a class from which the employee was laid off, transferred or demoted, or is offered another position of equal or higher class

but does not accept said position, his/her name shall be removed from the rehire list. Employees rehired into a class lower than the one from which they were laid off shall have their name maintained on the rehire list for a higher class until expiration of said list.)

ARTICLE 11

PROBATIONARY, PERMANENT, TEMPORARY AND SEASONAL EMPLOYEES

11.1 Probationary Employees

Employment with Padre Dam is on a probationary basis for the first twelve (12) months of employment. During the probationary period of employment an employee serves at the pleasure of Padre Dam and may be discharged or suspended for any reason or cause. During the probationary period, employees have no seniority rights, but they shall be subject to all other clauses of the MOU. All employees who are retained beyond the probationary period as defined above shall attain the status of a permanent employee and time spent in the probationary period shall be included when computing their seniority.

11.2 Permanent Employees

A permanent employee is an employee who has successfully completed the probationary period and has received a satisfactory performance review by his or her supervisor. A permanent employee shall be subject to disciplinary action under the procedures set forth in Article 10 hereof.

11.3 Temporary and Seasonal Employees

The use of temporary employees is recognized as a method of economically meeting the short term manpower needs of Padre Dam. "Temporaries" shall be utilized in cases where the work is of a limited term, seasonal in nature, or a special project, where the need for a particular position is not anticipated to be permanent. The justification to hire temporaries shall be developed in a "work-analysis" that documents the work to be done, the skills needed, and the anticipated duration of employment.

Consistent with Padre Dam's Workforce Partnership, each department shall be responsible for developing, through the link pin committees process, labor or management department reps, requests for temporary help, which shall be considered in the annual budget process. Department PDEA representatives shall be notified of the need to use temporary help. Sources for temporary employees may include but are not

limited to summer interns, summer youths, disability employment services, and community service labor. Temporary employees shall be held to the same District standards and values as permanent employees.

ARTICLE 12

HOURS OF WORK AND SHIFT PREMIUM PAY

12.1 Work Scheduling

Padre Dam retains the rights enumerated in Article 4, Management Rights, 4.1 General. Specifically, the General Manager shall retain authority over all work scheduling, which authority may be delegated to Department Heads. Such authority shall not be unreasonably exercised.

All employees will have fixed and consistent work hours. Department Heads shall assign those work hours to employees in either of these two schedules:

Red Schedule: The regular work week begins on Saturday and ends on the following Friday.

Blue Schedule: The regular work week begins at 11:01 a.m. on Friday and ends on the following Friday at 11:00 a.m.

Any changes between these two schedules will be effective at the beginning of a pay period.

If extraordinary situations arise such as emergencies or unpredictable circumstances, department heads may assign work hours, which are not fixed and consistent. Such authority shall not be unreasonably exercised. Department heads and Padre Dam shall make all reasonable efforts to minimize the use of work hours, which are not fixed and consistent.

Employees may request a deviation from their assigned work hours to accommodate the employee's personal preference(s), such as, accommodating the employee's child care, physical or mental fitness, educational or other interests. Such employee request shall be made in writing and approved in advance by an appropriate supervisor or Department Head. Such request shall not be unreasonably denied.

12.2 Premium Pay

A pay premium applies if more than 50% of the scheduled work hours worked by an

employee, in any 24-hour period, occur between the hours of 3:01 p.m. and 7:00 a.m. when the hours are scheduled in advance by the employee's supervisor. The premium shall not apply to hours worked which are not scheduled in advance, such as an extension of the employee's shift due to an emergency or other unscheduled situations and a "call back" as defined in Section 15.1.

The premium for all hours worked between 3:01 p.m. and 11:00 p.m. shall be 3% above the employee's standard rate of pay as defined in the current Salary Resolution.

The premium for all hours worked between 11:01 p.m. and 7:00 a.m. shall be 5% above the employee's standard rate of pay as defined in the current Salary Resolution.

The applicable overtime calculation shall be applied to any premium pay as premium pay is defined in this article.

12.3 Lead Pay

Purpose: To give Padre Dam the flexibility to provide non-supervisory leadership needed for established work groups and special designated work teams; to successfully accomplish regular job functions, increased workload, special jobs, or dealing with emergencies; and to foster a more experienced work force.

Job Assignment: An employee may be assigned as a "lead" person by their immediate supervisor with management approval. The lead person will have the responsibility to direct the work of one (1) or more employees, but does not directly perform the annual evaluations for those employees.

Time Frame for Assignment: Assignment may fall into two categories.

1. Permanent Lead - This applies when there is the need for one individual, within a job class, to be assigned as a lead person over a work group in support of Padre Dam in helping maintain job/function oversight on a continual basis.
2. Temporary Lead - This applies when there is the need for one individual to be assigned as a lead person over a work group in support of Padre Dam in meeting short term demands due to increased workload, special projects, and dealing with emergencies. Temporary assignments are defined as those with a duration of at least 5 consecutive work days, but for not more than 26 weeks.

Compensation: The individual given a lead assignment shall be paid a premium of

5% over their current salary grade, or 5% more than the highest salary grade of the individual(s) for which they are responsible, during the lead assignment, which ever is greater.

Conditions of Employment: The individual shall remain in their current job classification and all other conditions of employment shall remain the same.

ARTICLE 13

MEAL AND BREAK PERIODS

13.1 Meal Periods

Each employee shall be provided with a minimum of 30 consecutive minutes of unpaid meal time during the hours worked, during which time the employee shall be free of all duties, except in cases of emergency. This meal period shall be taken halfway through the employee's work shift, to the extent practicable.

13.2 Rest Periods

Each employee shall be provided with two daily paid rest periods of 15 consecutive minutes each, during which the employee shall be free of all duties, except in cases of emergency. The first rest period shall be provided halfway between the time the employee begins work for the day and the employee's meal period, to the extent practicable. The second rest period shall be provided halfway between the employees' meal period and the time the employee ends work for the day, to the extent practicable. Employees requesting lactation breaks shall, to the extent practicable, take the break in conjunction with their rest period. If the time needed exceeds the rest period, employees shall make up the missed time by either reporting early to work or staying later in the day.

13.3 Meal Allowance

An employee shall receive a meal allowance of up to eight dollars (\$8.00) upon proof of purchase after working three (3) or more hours overtime and every five (5) hours thereafter.

In lieu of this meal allowance, Padre Dam may provide employees with appropriate meals at reasonable intervals.

ARTICLE 14

OVERTIME AND COMPENSATORY TIME OFF

14.1 General

All employees in the bargaining unit, except those specified in “Positions Exempt from Overtime”, shall be paid an overtime premium for all hours worked in excess of 40 hours in their regularly scheduled work week. Employees called back to work (as defined in Article 15) on approved Padre Dam holidays shall be paid at the rate of double the employee’s rate of pay in effect for all time worked on the holiday, as described in Article 20, “Holidays.”

Amount of overtime premium shall be time-and-one-half the employee’s pay rate. The overtime premium shall apply to the pay rate in effect at the time the overtime is worked. For example, if another premium also applies, such as the premium in Article 12.2, that premium shall be applied first, and the overtime premium shall be applied last.

Overtime shall not be performed without the express approval of the appropriate Department Head or designated representative.

For purposes of calculating overtime, the following are considered hours worked within an employee’s regularly scheduled hours of work:

- Compensatory time off (CTO)
- Holidays
- Sick leave
- Vacation

If, due to unforeseen circumstances other than an emergency as defined under the Emergency Response Plan, an employee whose regularly scheduled workday ends at no later than 5:00 p.m., is required to work continuously from the beginning of their shift until after 9:00 p.m., the employee shall be given ten (10) hours off before reporting for duty. If the ten hours falls into the regularly scheduled workday, Padre Dam will pay the employee for those hours normally worked, and the employee will report for work at the end of the ten hours.

14.2 Compensatory Time Off

Employees may accumulate a maximum of 240 hours of compensatory time off (CTO) for future use, above which any additional overtime will automatically be paid to

the employee. The last pay period in May is the cutoff for CTO accrual for annual payout. CTO balances will be calculated for payout on the first non-payroll Friday in June. Employees may elect to leave up to 80 hours in their CTO bank. Balance of CTO will be paid to the employee every year or at the time of the employee's termination.

CTO will be calculated at the employee's rate of pay in effect at the time the CTO is paid.

Employees may utilize accumulated CTO as leave from work for any purpose, subject to supervisor approval as for any other leave. This approval shall not be unreasonably withheld.

Padre Dam shall provide employees with a statement of the amount of CTO accumulated with every paycheck.

14.3 Positions Exempt from Overtime

Any employee employed in one of the following job classifications shall not be entitled to overtime pay as described in 14.1 or 14.2 above:

- Communications Coordinator
- Engineer
- GIS/Mapping Administrator
- Information Systems Technical Specialist (highest level only)
- Sr. Accountant
- Sr. Laboratory Analyst

In recognition of the overtime hours that may be required of these employees, they shall be provided with modified compensatory time off which shall be administered as follows:

1. Annually, after the accrual of eighty (80) hours of unpaid overtime, compensatory time off will accrue at the rate of one hour for one hour, to a total of forty (40) hours.
2. Once the additional forty (40) hours of CTO has been accrued, no additional time will be accrued for that year.
3. CTO earned under this Article will not be available for any payout and is available for time off only. On an annual basis, on a mutually agreed upon date, any hours remaining in the CTO bank will be eliminated.

ARTICLE 15

CALL BACK POLICY

15.1 General

Occasionally Padre Dam may be required during emergency or unscheduled situations to call an employee back to work. Any off-duty employee "called back" to work before or after the normal work day will be paid for the actual hours worked at the rate of time and one-half, but in no event less than a minimum of two (2) hours at time and one-half will be paid. Call-back time will not be paid to any employee scheduled to work holidays if that day is part of their normal work schedule and they work in a department with a 24-hour or 7-day week operation (see Article 20, "Holidays").

ARTICLE 16

WORKING OUT OF CLASSIFICATION

16.1 General

To assure the orderly performance and continuity of services, Padre Dam may elect to temporarily upgrade employees on an acting basis to positions of a higher classification that are available due to a vacancy or a leave of absence.

It is not the intent of Padre Dam to circumvent or avoid the normal appointment or promotional process, therefore, Padre Dam agrees that it shall not use temporary upgrading for this purpose. In this same regard, Padre Dam shall make every possible and reasonable effort to fill position vacancies in a most expeditious manner, and to keep the need for such temporary upgrades to a minimum. However, for the purpose of this Article and this MOU, it is understood that whether or not a position vacancy is to be temporarily filled shall be determined by and at the sole discretion of Padre Dam. In this same regard, nothing contained in this Article or this MOU shall be construed or interpreted as requiring Padre Dam to fulfill a temporary position vacancy.

It is further understood that working out of classification pay is not normally available to employees participating in cross-training or job shadowing. The purpose of cross-training or job shadowing is to provide employees with additional information about a position for which they may wish to attain. In order to provide an employee with a cross-training or job shadowing opportunity, they may be scheduled at irregular time intervals which do not fall within the parameters of this article (such as once a week). It is not the intent of Padre Dam to use cross-training or job shadowing to circumvent or avoid paying working out of classification pay as described in this article. However, it is agreed that an employee may receive working out of classification while participating in cross-training or

job shadowing if they are actually performing the job duties with little or no direct supervision and they fall under the other parameters of this section.

Employees shall have the option to refuse temporary upgrading without prejudice when it is offered.

When employees are temporarily upgraded to acting in a higher classification, as described above, they shall be eligible to receive temporary upgrading pay for the total duration of a temporary upgrading assignment, provided that they are upgraded for at least one (1) work week. The temporary upgrading pay which these employees shall receive, retroactive to the beginning of their temporary upgrading assignment, shall be at the same rate as the classification which they are filling.

ARTICLE 17

CLOTHING AND EQUIPMENT

17.1 Uniforms and Coveralls

It is necessary for employees in certain positions to wear uniforms for one or more of the following reasons: (a) the work causes excess wear and tear on clothing, (b) identification of employees as members of Padre Dam staff, (c) to project a professional image, (d) safety, (e) health.

It is mandatory that uniforms selected by Padre Dam be worn by all full-time employees in positions listed in the following table.

<u>Classification</u>	<u>Uniform</u>
Const. & Maint. Crew Supervisors	Shirt
Construction Equipment Operators	Full
Construction Inspectors	Shirt
Distribution Maint. Supervisor	Full
Distribution Supervisor	Shirt
Electrician/Instrumentation & Control Technicians	Full
Electrician/Instrumentation & Control Supervisor	Full
Equipment Mechanics	Full
Facilities Maintenance Worker	Full
Facilities Maintenance Supervisor	Full
Field Engineering Supervisor	Shirt
Laboratory Analyst	Lab Coat
Laboratory Analyst, Sr.	Lab Coat

Meter Shop Supervisor	Full
Meter Technician	Full
Park & Rec. Aide	Full
Park & Rec. Coordinator	Full
Recycled Water Plant Operator	Full
Recycled Water Operations Supervisor	Full
Recycled Water Technician	Full
Systems Operator	Full
Utility Workers	Full
Warehouse Specialist	Shirt
Warehouse Worker	Shirt
Water Quality Specialist	Shirt
Water Quality Compliance Specialist	Full

On an annual basis, at the time of open enrollment, employees required to wear a uniform must select one of the options described below. The Department Head has the discretion to limit the options based upon health and safety considerations.

Option 1: Full Uniform Rental and Laundry Service Provided by Padre Dam

Padre Dam will contract with a uniform and laundry service to provide full uniforms for those designated above to receive full uniforms, and will pay for a maximum of five (5) uniform changes per week, except for mechanics, pump technicians and such other personnel as may be designated by the Department Head who will be provided a maximum of five uniform and up to three coverall changes per week. The Department Head shall be responsible for determining the number of weekly changes necessary for each position.

Option 2: District Provides Half Body Covering with Allowance for Remainder of Uniform as Appropriate

Padre Dam will contract with a uniform and laundry service to provide either upper or lower body uniforms for those designated above to receive full uniforms, and will pay for a maximum of five (5) changes per week, except for mechanics, pump technicians and such other personnel as may be designated by the Department Head who will be provided a maximum of five shirt changes and up to three coverall changes per week. The Department Head shall be responsible for determining the number of weekly changes necessary for each position.

For those positions designated to wear full uniforms Padre Dam will provide an allowance each year equal to the amount it would pay to a competent uniform rental and laundry service for providing and laundering half body uniforms.

Option 3: District Provides an Allowance.

Any employee in a position designated above may opt to receive an allowance for the designated type of uniform in lieu of using the uniforms provided and laundered through the uniform rental and laundry service. The allowance is equal to the actual cost Padre Dam would pay to the uniform rental and laundry service for providing and laundering the designated uniform, not to exceed \$234 per year. Padre Dam will pay the annual allowance in two payments (in July and January of each year) for the subsequent six months.

17.2 Care of Clothing

All employees receiving an allowance for uniforms must purchase uniforms that conform to the style and color standards set by the Department Head.

All clothing shall be of a style, material, and color that projects a professional image, and shall be maintained in good condition.

Employees are liable for any loss or damage to uniforms and coveralls provided by Padre Dam caused by negligence or misuse, and such loss or damage shall be recovered through payroll deductions

17.3 Shorts and T-Shirts

Employees who are required to wear uniforms shall have the option to wear shorts and t-shirts, subject to department head and General Manager approval, which approval shall be based on safety issues and public image.

17.4 Contribution to PERS

Any uniform or allowance provided by Padre Dam that is not required for safety reasons shall be subject to PERS.

ARTICLE 18

SAFETY

18.1 Working Conditions

Padre Dam agrees to maintain safe and clean working conditions at all work locations as appropriate. Padre Dam will provide adequate heat and ventilation and

clean and adequate rest room facilities at all work areas as appropriate.

18.2 Safety Clothing and Equipment

Consistent with existing practices, Padre Dam shall provide to employees appropriate safety clothing, tools, devices and other articles to perform their assignments. All employees shall use and wear all safety equipment and clothing provided and shall be responsible for the reasonable care and proper use of all items furnished.

The allowance for a safety jacket is the actual cost, not to exceed \$75 every two (2) years, provided that the employee demonstrates a need to replace the jacket.

Each fiscal year Padre Dam will provide an annual allowance of actual cost not to exceed \$167.00 to each employee who elects to wear hard-toe steel safety shoes on the job for foot protection.

18.3 Safe Practices

PDEA agrees that all employees are obligated to conduct themselves in a safe and reasonable manner when executing the performance of their job. PDEA further agrees that it is each employee's responsibility to function in a reasonably prudent manner so as not to injure him/herself or others nor cause damage to District assets.

18.4 Illness & Injury Prevention Program

Padre Dam has created an Illness & Injury Prevention Program as required by federal and state law, and employees will be regularly informed of the program.

18.5 Safety Committee

PDEA shall be entitled to appoint one member to serve on the Safety Committee for a two year term. The Safety Committee serves as an advisory/educational committee only to Padre Dam and does not recommend discipline or write policy.

ARTICLE 19

VACATION

19.1 Accumulation

Vacation days shall be earned at the following rate, based on years of service:

<u>Year</u>	<u>Hours/Pay Period</u>	<u>Days Per Year</u>	<u>Approx. Hours Per Year</u>
1-4	3.7	12	96
5-10	5.24	17	136
11-14	6.47	21	168
15-20	6.77	22	176
21-23+	7.70	25	200

For employees hired before 7-1-98, vacation will continue to accrue as follows:

<u>Year</u>	<u>Hours/Pay Period</u>	<u>Days Per Year</u>	<u>Approx. Hours Per Year</u>
24	8.01	26	208
25	8.32	27	216
26	8.62	28	224
27	8.93	29	232
28	9.24	30	240
29	9.54	31	248
30+	9.85	32	256

Vacation time cannot be accumulated in excess of the amount which could have been earned for two years. On an annual basis, employees will be paid for any vacation over the two years accrual. In addition, annually employees may opt to cash out vacation accrual in excess of one year's accrual, but no less than eight (8) hours.

In the event that employment is terminated for any reason, the earned vacation will be deemed due and payable through the last full day of employment.

Padre Dam considers that an annual vacation is necessary for all employees whether you travel, stay at home, or engage in any other type of activity that takes you away from your daily work environment. For this reason, all employees are encouraged to take at least ten (10) workdays vacation during each year of their employment.

Vacations must be approved in advance by the Department Head to ensure there are no conflicts with District operations.

ARTICLE 20

HOLIDAYS

20.1 General

The following holidays are recognized by Padre Dam for all full-time regular employees:

Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th
Thanksgiving (16 Hours)	Fourth Thursday & Friday in November
Christmas Eve (4 Hours)	December 24th
Christmas	December 25th
New Year's Eve (4 Hours)	December 31st
New Year's Day	January 1st
Presidents' Birthday	Third Monday in February
Memorial Day	Last Monday in May

Holidays falling on a Saturday shall be observed the preceding Friday. Holidays falling on a Sunday shall be observed the following Monday.

Partial Holidays will precede the observed day off for the full Holiday.

Any employee who is regularly scheduled to work on a recognized holiday shall be provided with one of the following, as designated by the employee upon department head approval:

- A. One alternate day off on a date designated by the employee within the same work week; or
- B. Up to eight (8) hours added to vacation bank; or
- C. Up to eight (8) hours paid at straight time.

Employees called back to work on approved Padre Dam holidays shall be paid at the rate of double the employee's rate of pay in effect for all time worked on the holiday. This policy does not apply to employees whose regular work day falls on a holiday.

Any employee working more than an 8-hour day (flexible work schedule) will be credited with 8 hours of holiday pay.

20.2 Vacation in Lieu of Holiday

All employees will be provided with one day of vacation accrual on the first pay day immediately following Martin Luther King, Jr.'s Birthday (Third Monday in January) and one day of vacation accrual on the first pay day immediately following Columbus Day (Second Monday in October).

ARTICLE 21

LEAVES OF ABSENCE

21.1 Death in the Family

In the event of a death in his/her immediate family, an employee shall be entitled to Bereavement Leave for purposes of attending the funeral or memorial services. During such leave, the District shall provide the employee his/her salary for up to three (24 hours) consecutive, scheduled work days. This leave will not be deducted from the employee's available leave bank. Should additional time be required due to unusual circumstances, an additional two days (16 hours) may be granted at the discretion of the employee's department head.

Any employee working more than an eight (8) hour day (flexible work schedule) will be credited with eight hours of bereavement leave for each day used.

The employee's immediately family shall be defined as follows: spouse, parent, stepparent, parent of current spouse, child, stepchild, grandparent, grandchild, brother, sister, or current member of the immediate household. Should an employee request bereavement leave for any other family member, the request shall be considered by the department head and granted on a case-by-case basis.

The District may request that an employee's request for bereavement leave be supported by satisfactory evidence of death and family relationship.

21.2 Jury Duty

Jury duty is considered an excused absence. An employee summoned for jury duty, examination or subpoenaed to appear in court as a witness for Padre Dam or non-personal related activities shall receive pay for regularly scheduled workdays. The jury fee paid for these services shall be endorsed by the employee in favor of Padre Dam less mileage compensation paid the employee for personal car use. In no case shall payment be made for jury duty performed on an employee's normal day off or for hours in excess of the employee's regularly scheduled work day.

21.3 Military Leave

A District employee shall have the right to a temporary military leave of absence for reserve duty, not to exceed 180 days. If employed by Padre Dam more than one (1) year, the employee is entitled to receive his salary for the first thirty (30) calendar days of any such absence. If the employee has been employed at least one (1) year, he/she is entitled to the same vacation, sick leave, and other benefits that would have accrued had he/she not been absent.

As stated in the foregoing paragraph, an employee is entitled to receive his/her salary for the first thirty (30) calendar days of a temporary military leave of absence for reserve duty. Should that individual be called to active duty, the same would apply. Active duty beyond thirty (30) days will be compensated by payment of the difference between military compensation and District salary for a period not to exceed 180 days.

In the event that an employee is called to active duty because of a declared state of emergency, the employee will be entitled to receive his/her salary for the first thirty (30) calendar days of such leave, regardless of other military leave taken during the year.

If the active duty of an employee extends beyond the 180 days, the employee shall be entitled to use accrued vacation leave and sick leave respectively, to supplement the difference between the amount of his/her military pay and his/her salary as a District employee.

Unless limited by the insurance carrier, the same group health and dental benefits shall be provided by Padre Dam for up to twelve (12) months of military service following the first thirty (30) calendar days of such military service. Life and long-term disability insurance will terminate at the end of the first thirty (30) calendar days of a temporary military leave.

Vacation and sick leave do not accrue during the absence for military leave that extends beyond thirty (30) days per year.

The reservists must seek reemployment within six (6) months after the termination of his/her active service as provided for in the Military & Veterans Code, Section 395.1(a).

The individual will be returned to the position held at the time of his/her military leave. If that position no longer exists, the individual will be placed in a comparable position.

Employees who participate in military service or military organizations shall be eligible for such benefits as may be established by Federal and State laws or regulations.

21.4 Civic

Any employee unable to attend work due to emergency duty to which he/she has been ordered for necessary civil defense or other civil activities such as Sheriff's reserve, etc., will not be penalized for his/her absence from work.

21.5 Medical Leave

Employees may request a medical leave of absence only when sufficient sick leave has not been accumulated to cover a period of temporary disability resulting from any illness or physical condition including pregnancy, miscarriage, child birth and recovery therefrom. Medical leaves may be granted, subject to the General Manager's approval, for a reasonable period of time, not to exceed four (4) months, provided that the combination of sick leave and medical leave does not exceed four (4) months. Employees requesting a medical leave must provide a doctor's certificate indicating the nature of the illness or physical condition and the period of temporary disability.

No salary or benefits will be paid or accrued during the period of the leave. It is the responsibility of the employee to pay group health, life, dental and long-term disability insurance which are normally paid by Padre Dam. Arrangements should be made to assure that such coverage does not lapse. Seniority rights pertaining to retirement benefits, sick leave and vacation credits will not accrue during the period of leave.

An employee with a work-related injury may be placed on medical leave. There are certain exceptions to the foregoing conditions which are explained in Article 25.5.

Immediate reemployment cannot be guaranteed. However, Padre Dam will endeavor to reinstate the employee to his/her original job or to a position of like status and pay without loss of seniority.

NOTE: Employees may request a family care leave under Section 11.13.4 of Standard Practices & Policies Manual. In that instance, employees will be required to follow the policy set forth in Section 11.13.4 for any time requested prior to the commencement of the medical leave. Any family care leave shall run concurrently with any medical leave requested. Pregnancy disability leave will be provided in accordance with State law which may entitle employees to four months disability leave in addition to the 12 weeks family care leave.

21.5.1 Family Care Leave

Family leave shall be provided in accordance with the provisions mandated by either Federal or State law and as outlined in Section 11.13.4 of Standard Practices & Policies Manual.

21.6 Emergency Leave

Padre Dam may grant a leave of absence without pay for emergency or other necessary conditions but not without due consideration, and only when such requests are thoroughly reviewed and determined to serve the best interest of Padre Dam.

Recommendations that a leave of absence be granted must be made by the employee's Department Head and approved by the General Manager. Approved leaves will be granted for a period not to exceed sixty (60) calendar days. During the period of leave, arrangements must be made by the employee to pay group health, dental, life and long-term disability insurance, which are normally paid by Padre Dam. Seniority rights pertaining to retirement benefits, sick leave and vacation credits will not accrue for the period of the leave.

Immediate reemployment cannot be guaranteed. However, upon return to work, Padre Dam will reinstate the employee to his/her original job or position of like status and pay without loss of seniority.

21.7 Miscellaneous Leaves

21.7.1 Leave Without Pay (LWOP{PD}) at Padre Dam Convenience

Under certain work conditions, it is to Padre Dam's advantage to grant a LWOP{PD} to an employee who is affected by such conditions. Slow up in work load due to lack of building, and inability to work because of inclement weather, are examples of those work conditions.

If such conditions occur and the employee(s) affected consent to a period of LWOP{PD}, the Department Head(s) concerned has the authority to grant such leave, but only when it is for Padre Dam's convenience.

Time sheets will reflect the leave status for payroll records. With the exception of PERS, Padre Dam will continue to pay all benefits under this leave policy, including vacation and sick leave accruals.

21.7.2 Leave Without Pay (LWOP{E}) at Employee(s) Convenience

An employee having no vacation or sick leave accumulated may require several hours or days off for an illness or personal business. This need may also occur for an employee who has sick leave or vacation credits but prefers not to use the accumulated hours. Under either of these situations, the Department Head concerned has the authority to grant the LWOP{E} provided that the time off requested is kept to an absolute minimum and does not occur on a regular basis. If time off requested exceeds five (5) working days, it will be necessary to submit a request to the General Manager for a Medical or Emergency leave in accordance with Article 21, section 21.5 or 21.6.

Under this LWOP{E} policy, the employee will be required to pay for all fringe benefits on a prorated basis just as he or she is required to do when on Medical or Emergency leave. Vacation and sick leave benefits will not accrue and PERS benefit payments will not be paid. Time sheets shall reflect the leave status for payroll records.

21.7.4 Donation of Unused Sick Leave/Vacation

Employees with unused sick leave and vacation balances of more than 172 hours may donate hours in four (4) hour increments to an employee who has exhausted all sick leave and vacation and is out on an approved Family Care or Medical Leave. Those employees donating unused sick leave hours may not allow their sick leave and vacation balances to drop below 172 hours as the employee donating the time might need those hours if an accident or illness required him or her to go out on disability.

The employee receiving donated sick leave/vacation may receive no more than 172 hours or the amount required for the employee to qualify for long term disability benefits.

Donation of hours will be on an hour-for-hour basis and not a dollar-for-dollar basis.

Those employees donating sick leave will not have the hours considered as "sick leave used" for purposes of the annual sick leave payout unless their sick leave base is at or near 240 hours. If, by the date for the annual sick leave payout, the donation reduces the sick leave accrued below 336 hours (240 hours base plus 96 earned), the employee will not be eligible for the full sick leave payout.

ARTICLE 22

RETIREMENT

22.1 General

Employees are eligible to retire from Padre Dam with full retirement benefits after the age of 50 with no less than five (5) years of service and whose age combined with years of service with Padre Dam equals 65 or more. "Full retirement benefits" include: (1) Picture of the Padre Dam; (2) check for \$250; (3) in-house reception or party for the retiree and family, which shall be scheduled after 4:00 p.m. if the party is on a weekday.

Padre Dam will contribute an amount up to \$500 for the reception/party, as determined by the General Manager or designee; (4) resolution from the Board of Directors; (5) insurance benefits as described in Articles 25.11, 25.12 and 25.13; (6) sick leave payout as described in Article 23.1; and (7) other benefits as described in Article 22.4.

22.2 Public Employee's Retirement System

22.2.1 Membership. Padre Dam is a member of the Public Employee's Retirement System of the State of California and membership is compulsory for all employees except those specifically excluded. Exclusions include: (1) special contract exclusions; (2) employees who work less than half time; (3) employees who work half time or more but who will work six months or less; and (4) temporary or seasonal full-time employees who will work six months or less.

22.2.2 Service Retirement. The basic benefit will be three percent (3%) of "final compensation" for each year of credited service upon retirement at age 60. Benefits from the State system will be coordinated with benefits from Social Security.

22.2.3 Disability Retirement. An employee becoming disabled to the extent that he/she is incapable of performing his/her duties shall be eligible for disability retirement provided he/she has at least five (5) years of service. The monthly retirement allowance is 1.80% of "final compensation" for each year of service, with a minimum guarantee of one-third of final compensation for most employees who have rendered at least ten (10) years of service. The disability retirement allowance shall under no circumstances exceed the service retirement allowance payable upon retirement for service at age 60 if the employment could be continued at that age.

22.2.4 **Death Benefits.**

Basic Death Benefit. This benefit is a refund of the member's accumulated contributions plus six month's salary provided he/she has been a member for six years or

more. For those who die before completing six years of membership, the benefit is one months' salary for each year of membership plus refund of contributions. The salary referred to is that earned during the year preceding death. Prior service does not count toward this benefit.

1957 Survivor Benefit. Employees with five or more years of service who have reached the minimum age for service retirement have further death protection under this item. Here the surviving spouse can elect to receive either the basic death benefit or a monthly income equal to one-half the unmodified retirement allowance the employee was eligible for on the date of his/her death. The monthly income lasts until the spouse's death or remarriage with a guarantee that the System will pay as much under the basic death benefit. Upon death or remarriage of the spouse, the benefit will be continued to natural or adopted unmarried children under age 18.

Death after Retirement. The death benefit is \$500 if death occurs after retirement. This amount will be in addition to any payment which may be made under an optional retirement benefit chosen by the member at his/her retirement.

22.2.5 Termination of Employment. Upon termination of employment, an employee with five (5) or more years of service may either leave his/her contributions with the System and receive, upon attaining retirement age, the retirement benefit he/she has earned, or he/she may withdraw his/her contributions (plus interest), thus terminating his/her membership in the System and receiving no retirement benefits. Except: (1) A member with less than five (5) years of service shall not have the privilege of leaving his/her contributions with the System, but shall automatically have his/her contributions plus interest, refunded upon termination of employment, and (2) A member who is transferring to employment with another agency which is covered under the System shall not have the right to withdraw his/her accumulated contributions.

22.2.6 Contributions. Each employee is required by PERS to contribute eight percent (8%) of the employee's gross salary, exclusive of overtime minus \$133.33. Pursuant to Resolution No. 81-96A, the aforementioned employee's contribution will be paid by Padre Dam, provided that the rate does not exceed seven percent (7%). Therefore, employees pay one percent (1%) towards the employee contribution.

Padre Dam also contributes additional sums toward the cost of the PERS benefits. In addition, Padre Dam bears the entire cost of prior service benefits. All District contribution rates are established and are subject to revision by the Board of Administration of PERS.

22.2.7 Military Service Credit as Public Service. Employees may elect to purchase up to four years of service credit for any continuous active military or merchant

marine service prior to employment with Padre Dam. Interested employees may obtain cost information by contacting PERS Member Service Division. At the employee's direction, payments may be made by payroll withholding.

22.3 Federal Social Security

Social Security Insurance (OASI) is required by law for every District employee under an arrangement with the State of California Public Employee's Retirement System and the Federal Insurance Contribution Act. Costs are shared equally between Padre Dam and employees. The amount paid by the employee is the prevailing rate as prescribed by federal law.

22.4 Other Benefits

Retirees from Padre Dam may participate in established social functions of Padre Dam on the same basis as active employees. Retirees from Padre Dam may also utilize the recreational facilities of the Santee Lakes Regional Park and Campground on the same basis as active employees. Park entry fees will be waived for District retirees and their immediate families. The fishing fee will be waived for District retirees only.

ARTICLE 23

SICK LEAVE

23.1 Accumulation

Beginning with the date of employment, sick leave at 3.70 hours per pay period shall be credited to the employee and bi-weekly pay records will reflect current sick leave accumulation.

An employee with no sick leave credit shall not receive compensation for days not worked.

Compensation for accumulated sick leave will be paid for as follows:

(a) After ten (10) years of continuous employment and voluntary termination, an employee will be paid for thirty percent (30%) of his/her unused sick leave at the employee's pay rate at the time of termination.

(b) Upon retirement from Padre Dam (as described in Article 22.1), an employee will be paid for sixty percent (60%) of his/her unused sick leave at the employee's rate of pay at time of retirement.

(c) Under either (a) or (b), an employee will be paid an additional one percent (1%) per year for each full year worked after 20 years of continuous service.

(d) If the employee has a minimum accumulation of 240 hours (30 days) of unused sick leave, and if the employee so requests, he/she shall be paid annually, on a mutually agreed upon date, for any unused sick leave earned since the last annual payout.

23.2 Uses

Sick leave may be used for any illness of the employee or any family member who resides with the employee. In addition, sick leave may be used for dental appointments, optical examinations, general health check ups and office visits to doctors.

In accordance with Padre Dam values, employees should use sick leave in a responsible manner. Written proof of illness may be required for absences exceeding three (3) consecutive work days, three (3) days per month, or for suspected sick leave abuse. Sick leave abuse could also result in referral to the Employee Assistance Program or disciplinary action up to and including termination. If sick leave abuse is suspected, the employee will be notified that he/she will be required to bring in a doctor's statement for future absences.

Approved sick leave must be recorded as such on the time sheets. Padre Dam will not compensate employees for absences which are covered by Workers' Compensation payments, except to the extent of making up the difference between these payments and the employee's regular bi-weekly salary.

Social Security taxes will be withheld when sick leave is used for any purpose. Only when an employee is absent from work due to illness for more than six months will sick leave become exempt from Social Security tax withholding.

ARTICLE 24

ANTI-DISCRIMINATION CLAUSES

24.1 Equal Employment Opportunity

Padre Dam and PDEA believe that all persons are entitled to equal employment opportunity and do not discriminate against its employees or applicants because of race, color, religion, sex, sexual orientation, pregnancy, national origin, ancestry, age, marital status, physical or mental disability or medical condition. Equal employment opportunity

will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall and termination.

24.2 Americans With Disabilities Act

Padre Dam and PDEA recognize that the Americans With Disabilities Act has been adopted by the Federal Government requiring compliance with the Act in July 1992. Both parties agree to fully comply with the Act and all obligations required thereunder.

ARTICLE 25

INSURANCE

25.1 Group Health Insurance

Full-time regular employees and dependents and domestic partners (as defined by California Family Code §297) are covered by a group health insurance plan which is fully paid by Padre Dam except as described below. Eligibility for participation begins on the first of the calendar month following commencement of regular employment with Padre Dam.

An employee may choose to be covered under any insurance program offered by Padre Dam. Each employee must select a health insurance plan prior to the end of his/her eligibility period.

All individuals who are already employed by Padre Dam on or before June 30, 2007, will continue to be eligible for the benefits set forth in the first paragraph, above. However, effective July 1, 2008, all individuals who are already employed by Padre Dam on or before June 30, 2007, and who switch enrollment to Blue Cross from another plan at Open Enrollment, will pay the difference between the cost of Blue Cross and the Kaiser plan, by automatic payroll deduction. All employees hired on or after July 1, 2007, who enroll in Blue Cross will pay the difference between the cost of Blue Cross and the Kaiser plan, by automatic payroll deduction. In addition, anyone who retires after July 1, 2007, under Article 25.11.2 and enrolled in Blue Cross after July 1, 2008, shall pay the same amount as active employees who switch to Blue Cross after July 1, 2008.

Details of all plans are explained in pamphlets which each employee is encouraged to review before his/her decision is made.

It is mandatory that each employee notify the Human Resources Department whenever any additions or deletions occur in his/her dependent status.

Active full-time employees and their dependent spouses age 65 or older have the option of selecting either Padre Dam's group health plan(s) (on the same conditions offered to employees under age 65) or Medicare as primary coverage. Employees will be notified at least 30 days prior to their 65th birthday and selection must be exercised in writing at that time.

December of each year is designated as an "open enrollment" period. It is only during this period that an employee may elect to change his/her coverage from one plan to the other. Any changes made during this period will become effective on January 1. Employees electing domestic partner coverage must comply with the requirements of California Family Code §297. Padre Dam retains the right to require verification of the relationship.

In the event the State and/or Federal Government implements a healthcare system which requires employer and/or employee contributions and which provides healthcare services which would duplicate, conflict with, or overlap with all, or a portion of, the healthcare benefits provided under this MOU, the parties agree to reopen for meet and confer the affected provisions of this MOU to address implementation of the new State and/or Federal healthcare system.

25.1.1 Maintenance of Health Insurance Benefits. Padre Dam and PDEA agree that effective January 1, 2009 and continuing for the term of this MOU the health insurance co-pay shall be \$20.00 for office visits with no change in the co-pay for prescriptions, except as mandated by the insurance providers.

25.2 Health Advocate Program

Effective July 1, 2007, and continuing for every year of this agreement, Padre Dam shall provide a health advocacy benefit program to be paid by all employees through payroll deduction. This program is offered as a benefit to employees and supplements the existing healthcare benefits by providing a high level of customer service assistance to help employees deal with healthcare providers and insurers.

25.3 Elimination of Duplicate Dependent Coverage

Every year at open enrollment, employees not in the Blue Cross or CaliforniaCare plans may choose to eliminate duplicate dependent coverage of health insurance. Padre Dam and the employee will evenly share in the difference between the employee only coverage and the dependent coverage being waived. The cost savings will be paid out monthly via payroll. In order to assure prompt reinstatement of family members, employees must maintain "employee only" coverage.

In the event of an emergency, employees may reinstate family members prior to open enrollment.

25.4 Group Life Insurance

Full-time regular employees and their eligible dependents are covered by a group life insurance program paid for by Padre Dam. Eligibility begins on the first of the calendar month coincident with or following two months continuous full-time employment with Padre Dam.

Benefits are as follows:

Active Employees - Life and AD&D (Accidental Death and Dismemberment) benefits equal to 1-1/2 times basic annual salary with maximum of \$250,000. Minimum Life and AD&D benefit payable is \$20,000. Reduces to 50 percent at age 70.

Employees on Retirement - Life and AD&D provided at 50 percent of pre-retirement coverage.

Dependents - \$5,000 Life insurance is provided for one or more dependents. "Dependents" includes spouse or domestic partner (as defined by California Family Code §297) and dependent children, six months to age 21 or age 23 if enrolled as full-time student. Dependent children age birth to six months are covered at \$500. Dependent coverage will continue until employee benefits are no longer in effect.

25.5 Group Long-Term Disability Insurance

Full-time regular employees are covered by a long-term disability program paid for by Padre Dam. Eligibility begins following 30 days of continuous employment with Padre Dam. Monthly benefits are based upon 66-2/3 percent of basic salary up to a maximum of \$7,000 per month (Social Security benefits integrated). Benefits are payable from the 31st day of accident or sickness until age 64-70 dependent on commencement date of total disability. Additional benefits and details of the plan will be provided each employee when eligibility period has been satisfied.

25.6 Worker's Compensation Insurance

Any employee injured on the job will be entitled to benefits under Padre Dam's Workers' Compensation Insurance coverage. Coverage begins with the fourth (4th) calendar day off the job and continues until the employee is considered able to return to work. The first week is paid if the employee is hospitalized and off work over 21 days.

Sick leave may be used for time off work due to a work-related injury or illness. The first day off work is the next regular work day immediately following the day the injury/illness occurs.

If workers' compensation benefits are paid for each day off work, sick leave will be reduced so that the combination of benefits received will not exceed the employee's established rate of pay.

When an employee's sick leave balance is completely utilized, vacation credits may be used.

Padre Dam will coordinate workers' compensation benefits with sick leave/vacation benefits if the employee so elects. An employee elects to coordinate benefits if he/she takes sick leave or vacation. To elect not to coordinate benefits, the employee must be on a Medical Leave without pay, in accordance with Article 21.5.

If an employee elects, or is unable to coordinate accumulated sick leave/vacation credits with workers' compensation benefits, Padre Dam will continue to pay group health, life, dental and long-term disability insurance for a work related injury for a period of 90 days. Such period shall begin with the first day off work. Seniority rights pertaining to retirement benefits will not accrue during the period that full compensation is not received. Sick leave and vacation credits will continue to accrue for the 90 day calendar period. An employee receiving only workers' compensation benefits will be placed on Medical Leave in accordance with Section 21, except for the foregoing condition.

Under no condition shall the compensation of benefits provided by workers' compensation, sick leave or vacation exceed the normal pay an employee could earn while working.

It is each employee's responsibility to report immediately to his/her supervisor any injuries, regardless of severity, and to complete an injury report.

25.7 Unemployment Insurance

Unemployment Insurance is provided by Padre Dam. To apply for benefits or to determine eligibility, employees should contact their nearest Employment Development Department office.

25.8 Cancer Insurance

A group cancer insurance plan paid for by the employee is available at the employee's option. An information booklet is available to all employees regarding the cancer insurance plan.

25.9 Dental Insurance

Full-time regular employees and their eligible dependents are covered under a dental plan which is fully paid for by Padre Dam. Eligibility for participation begins on the first of the calendar month coincident with or following sixty days of continuous full-time employment with Padre Dam.

It is mandatory that each employee notify the Human Resources Department whenever any change occurs in his/her dependent status.

25.10 Section 125 Reimbursement Plan

Full-time regular employees may elect annually to set aside a maximum of \$5,000 in pre-tax dollars for reimbursement of unpaid medical costs and \$5,000 for dependent care reimbursement.

25.11 Insurance Benefits for Retirees

25.11.1 Retiree Medical Benefits for District Employees Hired Before August 27, 2002

Employees hired before August 27, 2002 shall have the option of retiring under either:

A. The formula stated in 25.11.2, together with the additional benefits provided there and in Articles 25.11 and 13 **OR**

B. With fully paid medical benefits for themselves and their spouses if they are at least 50 years of age and have at least five years of service with Padre Dam, and their age plus years of service equal 65.

A list of the employees eligible for this choice will be maintained in the Human Resources Department.

Health insurance coverage for the retiree employee will be coordinated with Medicare and other benefits provided by federal and state law, and will be reduced when

retiree employee qualifies for those benefits.

25.11.2 **Retiree Medical Benefits for District Employees Hired After August 27, 2002**

For all employees hired after August 27, 2002, Padre Dam will continue to pay premiums upon existing life insurance and health insurance provided for District employees, and at the same percentage as paid for District employees, for any employee who has voluntarily retired from Padre Dam based on the following formula:

<u>Age</u>	<u>Minimum Years of Service</u>
50	20
51	19
52	18
53	17
54	16
55 and older	15

Any employee who voluntarily retires from Padre Dam and does not meet the above formula, may purchase health insurance based on the following formula:

<u>Age</u>	<u>Years of Service</u>	<u>Retiree Pays</u>
50	19 or more	10% of Premium
50	18	15% of Premium
50	17	20% of Premium
50	16	25% of Premium
50	15	30% of Premium
55	10	30% of Premium
55	11	25% of Premium
55	12	20% of Premium
55	13	15% of Premium
55 and older	14 or more	10% of Premium

Retirees under this section may purchase dental and vision (if available) insurances at 100% of the premium cost to Padre Dam. Retirees must pay their share of the monthly premiums at least on a quarterly basis. It is the responsibility of the retiree to pay their obligation on a timely basis. No statements will be sent from Padre Dam to the retiree reminding him/her of the obligation. Any monies not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the dental and/or

vision insurance and may not be reinstated in the future.

Health insurance coverage for the retiree employee will be coordinated with Medicare and other benefits provided by federal and state law, and will be reduced when retiree employee qualifies for those benefits.

Article 25.11.3. **Retiree Medical Benefits for Padre Dam Employees Hired After August 8, 2006.**

For all employees hired after August 8, 2006, Padre Dam will contribute up to \$600 per month toward the existing health insurance program provided for Padre Dam employees, and paid by Padre Dam toward current employee health insurance, as it may be amended by meet and confer, for both the employee and his/her spouse/domestic partner (as defined by California Family Code §297), at time of retirement, based on the following schedule. Retirees must pay their share of the monthly premiums at least on a quarterly basis. It is the responsibility of the retiree to pay their obligation on a timely basis. No statements will be sent from Padre Dam to the retiree reminding him/her of the obligation. Any monies not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the medical benefits and may not be reinstated in the future.

This applies to employees who voluntarily retire, based on the following formula:

<u>Age</u>	<u>Minimum Years of Service</u>
50	20
51	19
52	18
53	17
54	16
55 and older	15

For those employees who reach the age of 60 prior to voluntarily retiring, with at least 15 years of service with Padre Dam, Padre Dam will contribute on behalf of the retiree and spouse or surviving spouse/domestic partner up to the maximum paid for Kaiser or Sharp Health Plan, whichever of these two plans is higher.

Said payments for retiree and spouse shall cease upon the retiree becoming Medicare eligible.

If a retiree dies between ages 55 and Medicare eligibility, the surviving spouse will

continue to receive up to \$300 per month for payment of healthcare insurance until reaching Medicare eligibility or for a maximum of 10 years, whichever occurs first under the same conditions as defined above.

Retirees under this section may purchase dental and vision (if available) insurances at 100% of the premium cost to the District. Retirees must pay their share of the monthly premiums at least on a quarterly basis. It is the responsibility of the retiree to pay their obligation on a timely basis. No statements will be sent from the District to the retiree reminding him/her of the obligation. Any monies not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the dental and/or vision insurance and may not be reinstated in the future.

25.12 Insurance Benefits for Spouses or Domestic Partners of Retired Employees

Padre Dam will continue to pay, after retirement of an employee, under the same terms and conditions set forth in Article 25.11, the premiums upon existing health insurance provided the spouses or domestic partners of said employees at the time of retirement.

Health insurance coverage for the spouse or domestic partner of a Padre Dam retiree will be coordinated with Medicare and other benefits provided by federal and state law, and will thereby be reduced when the spouse or domestic partner qualifies for those benefits.

Upon the death of a Padre Dam retiree, health insurance coverage for the spouse or domestic partner will be continued, provided the spouse or domestic partner keeps Padre Dam informed of his/her name, address and marital status. In the event such spouse or domestic partner remarries, his or her eligibility for such coverage ceases immediately and shall be terminated. This section is subject to the limitations defined in Article 25.11.3.

As used herein, "spouse" shall mean the spouse of the employee at the time of the employee's retirement and "domestic partner" shall mean those individuals as defined by California Family Code §297 at the time of the employee's retirement.

The surviving spouse or domestic partner of an employee who dies prior to retiring and who has met the terms and conditions necessary for retirement and health coverage provided in Article 25.11 and 25.12, respectively, shall be provided the same coverage for the surviving spouse's or domestic partner's lifetime as though the death had occurred after retirement of the employee, subject to the limitations defined in Section 25.11.3.

25.13 Insurance Benefits for Dependents of Employees

Employees who retire after August 27, 2002 may, at the time of retirement, purchase health, dental and vision (if available) insurance for any additional dependents at the same premium which Padre Dam pays its providers. Retirees must pay the monthly premiums at least on a quarterly basis. It is the responsibility of the retiree to pay the premiums on a timely basis. No statements will be sent from Padre Dam to the retiree reminding him/her of the obligation. Any premium not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the dependent insurance and may not be reinstated in the future.

Upon the death of a retiree employee, health, dental and vision (if available) insurance coverage for the dependents will be continued, under the same terms and conditions allowed by the insurance provider, provided the dependents keep Padre Dam informed of his/her name, address and dependent status and meet the obligations set forth above. In the event other coverage is available to dependents due to the remarriage of the surviving parent, his or her eligibility for such coverage ceases immediately and shall be terminated.

As used herein, "dependent" shall mean the dependent children (as defined by the insurance provider) of the employee at the time of the employee's retirement.

The dependents of an employee who dies prior to retiring and who has met the terms and conditions necessary for retirement and health coverage provided in Article 25.11 and 25.12, respectively, shall be provided the same coverage for the dependent as though the death had occurred after retirement of the employee. The terms and conditions provided in Article 25.11 shall apply to the dependents.

25.14 Insurance Benefits for Out of Area Retirees.

Should a retiree or surviving spouse/domestic partner of a retiree move outside the service area of any insurance plan offered by Padre Dam, Padre Dam will reimburse the retiree or surviving spouse/domestic partner, upon proof of insurance and premium payment, up to the maximum paid for Kaiser or Sharp Health Plan for non-Medicare eligible recipients or Kaiser or Secure Horizons for Medicare eligible recipients, whichever of these two plans is higher. This Article is subject to the limitations contained in Article 25.11.3.

25.15 Voluntary Elimination of Retiree Coverage.

Retirees who reside out of the coverage area and are unable to utilize benefits under the coverage programs of the District may waive all coverage under those benefits.

The District and the retiree will evenly share in any resulting premium cost savings to the District. The savings will be distributed every six (6) months, and will be taxable to the retiree. If the retiree returns to the area and desires to be reinstated to a program offered by Padre Dam, they will be reinstated so long as the insurance company allows the reinstatement. If the insurance company does not allow reinstatement, the retiree may purchase insurance and be reimbursed by Padre Dam as provided in Article 25.14.

25.16 Continuation of Coverage

Upon expiration of current insurance policies, Padre Dam shall have the right to select different insurance carriers. Padre Dam agrees to meet and confer with PDEA prior to any changes in coverage.

ARTICLE 26

EMPLOYEE ASSISTANCE PROGRAM

26.1 General

Full-time regular employees and their dependents are covered by an Employee Assistance Program paid for by Padre Dam. This program is available to assist employees who are experiencing personal problems which may be affecting their job performance. This program is available on a self-referral basis, however, Padre Dam shall have the right to recommend that an employee utilize the program. While all matters discussed are confidential between the employee and the counselor, Padre Dam reserves the right to verify that an employee has sought the counseling recommended by Padre Dam and is following a course of action recommended by the counselor. Employees are responsible and accountable for maintaining satisfactory job-related standards throughout and following any participation in the Employee Assistance Program.

ARTICLE 27

PERSONNEL FILES

27.1 General

Each employee shall, during normal business hours, and upon reasonable advance notice, have the right to review and inspect his/her own personnel file in the Human Resources Department. The employee shall retain the right to respond in writing to any item placed in his/her personnel file and have that response made a permanent part of said file. In addition, should any employee so request, one copy will be made available to the employee of any document which the employee has signed. The employee may

also, at his/her own expense, copy any other item from his/her personnel file.

The only other persons permitted to have access to the contents of the employee's personnel file are a designated representative of the employee having the employee's signed authorization, Padre Dam's authorized staff, and any persons so designated in a court issued subpoena duces tecum.

Employees shall receive a copy of any disciplinary action or adverse material related to job performance which is placed in an employee's personnel file at the same time that it is placed in the personnel file.

ARTICLE 28

EMPLOYEE TRAVEL

28.1 General

Employees are eligible for reimbursement for any travel/expenses incurred by employees on behalf of Padre Dam. Prior approval must be obtained from the General Manager prior to incurring such expenses. Padre Dam Standard Practices and Policies Manual contains details of allowable expenses and instructions for completing expense/travel forms.

ARTICLE 29

VEHICLE USE

29.1 General

When a District vehicle is not available for use by an employee engaged in District business, permission for use of a privately owned vehicle may be obtained from the appropriate supervisor. Reimbursement to the employee will be paid at the prevailing rate per mile as established by Standard Practices Section 11.7.12, upon completion of an approved expense report.

29.2 Insurability

Certain District positions require possession of a valid California driver's license. Details of these requirements are found in Standard Practices & Policies, Section 11.15.2, "District Vehicles."

ARTICLE 30

WAGES AND SALARY

30.1 Paydays

All employees will be paid bi-weekly on Friday, except when these dates fall on a holiday, at which time payment is on the preceding business day. The bi-weekly payroll covers work performed during the two weeks ended on the preceding Friday.

30.2 Salary Adjustments

Effective on the first pay period of the fiscal year July 1, 2007 wages shall be adjusted by 3.5 percent per year for each year during the term of this Agreement. As to any employee who remains “y-rated”, as defined in Article 30.3 below, the General Manager may grant a one-time off-the-schedule “bonus” following any year in which that employee is determined by the General Manager to have performed exceptionally well, not to exceed three (3) percent of the employee’s “y-rated” wages during the year in which the bonus is granted.

30.3 Y-Rating Defined

Y-rating is defined as a cap on an individual’s salary/wages, with the employee ineligible for salary adjustments as described in Article 30.2 above. Any employee y-rated as a result of reorganization, salary survey or transfer to a new job classification will remain y-rated until the salary range equals or exceeds the current rate of pay, or the employee promotes into a higher paid position. At that time the employee will be eligible for future salary adjustments. Should a salary adjustment result in the removal of the y-rating, the employee will receive any portion of the salary adjustment which would bring the employee up to the maximum rate of pay for the salary range.

The following situations may create the use of y-rating:

Reorganization - When a new job specification is written and approved for an individual’s current job position, and a market salary has been determined for the new description, an employee may be y-rated due to salary variance. The employee will have the option of taking a decrease in pay or being y-rated as defined above.

Salary Survey - Should the results of a salary survey indicate a lower salary range for an existing job classification, and an individual within that job classification is paid more than the maximum, the employee will be y-rated.

Transfer to a New Job Classification - Should an individual request to transfer to a new job classification that has a lower salary grade, the employee will have the option of taking a decrease in pay or being y-rated as defined above.

Discipline - In the event that the outcome of a discipline process determines that the freezing of an individual's salary is appropriate, that individual's salary will be considered 'Y' rated.

30.4 Payroll Deductions

Payroll deductions may be authorized by an employee for purposes approved by Padre Dam. Payroll reductions may be authorized for employees who elect participation in the deferred compensation plan and the Section 125 Reimbursement Plan of Padre Dam or any other approved salary reduction program.

30.5 Salary Verification

Padre Dam will not provide individual employee salary information unless required to do so by law or if an employee so authorizes in writing.

30.6 Performance Rating/Salary Review

Employees will be reviewed at least annually on their review date. Reviews are to be based upon two components: (1) specific job standards created in each department by Link Pin or labor-management representatives; and (2) actions in accordance with District Mission, Vision and Values. Employees may receive increases based upon meeting these components.

Any salary changes will be effective on the beginning of the pay period closest to the review date.

30.7 Compensation Policy

The purpose of Padre Dam's personnel classification and compensation system is to support the recruitment, motivation and retention of highly qualified and productive employees and to reward activities that are positive in nature, cost effective and provide a high level of service to Padre Dam's customers and service recipients.

The classification system reflects meaningful and measurable differences in the type, level of work performed and market compensation.

Pay grade maximums are to be approximately the 65th percentile of the average

of the top of the salary ranges paid to positions in the relevant labor market as reported in salary survey results. Pay range minimums and maximums are to be established from those survey results. "Relevant labor market" will be defined prior to conducting salary surveys.

As it is one of the goals of Padre Dam's compensation system to recruit highly qualified and productive individuals, new employees may be hired at a rate of pay that does not exceed the midpoint of the designated salary range for that classification. The hiring rate should be the minimum of the range for minimally acceptable qualified individuals. Individuals whose qualifications exceed the minimum may be appointed at a rate above the minimum, up to the midpoint, subject to the approval of the General Manager, or his designee.

30.8 Reclassification

An employee may be reclassified to a higher classification only upon evidence that he or she meets the requirements for the position and provided a vacancy and need exists in the higher classification.

Any reclassification resulting in a salary increase would change an employee's anniversary date for step increases and performance evaluations to the date of the reclassification.

30.9 Filling Vacancies

All new positions and vacancies will be posted so that all employees who wish to upgrade to fill such vacancies may submit an application for consideration. Any District employee who feels qualified for the open position may submit an application. It is the desire of Padre Dam to fill all new positions and vacancies with the most qualified individual available. Padre Dam, when making a selection to fill a vacancy, will include in its consideration the employee's work history and knowledge of Padre Dam. Each District employee submitting a request to be considered, will compete with outside applicants for job openings. District employees will be assured access to the entire recruitment process including testing and interviewing. Should a District employee not be selected for the position, the employee will be offered suggestions for further professional development to prepare for the next promotional opportunity.

Advancement through "job families" (broad classifications), may be handled as part of the annual performance review process and may not require posting of the opening. Advancement opportunities will be included in the annual budget.

30.10 Promotions

At the discretion of the department head, promotions may be made providing there is an opening, and an employee is qualified for the position, shows readiness, and evaluations meet or exceed standards. Employees may be placed on a 90-day trial basis for the new position.

Any promotion resulting in a salary increase would change an employee's anniversary date for step increases and performance evaluations to the date of the promotion.

ARTICLE 31

SKILL ENHANCEMENT PROGRAM

31.1 General

In order to promote educational incentives for District employees and assist them to become more effective in their positions, Padre Dam offers a Skill Enhancement Program. It is expected that by participating in this program, employees will be better prepared and more knowledgeable in performing their jobs and assisting Padre Dam in serving our customers. The Skill Enhancement Program encourages employees to seek out pre-approved job enhancing certifications and education, and will recognize and reward employees upon satisfactory completion of such certifications and educational courses.

Specific conditions to be met by a participating employee for the Skill Enhancement Program are as follows:

Eligibility:

1. Full-time regular employee;
2. Monetary awards for probationary employees will be paid upon successful completion of probation.

Criteria:

1. All certifications and educational courses must be pre-approved by the Department Head and General Manager for each employee;
2. Certifications and educational courses must be on the approved list. See Section 11.16 of Standard Practices & Policies Manual;
3. Certifications and educational courses are taken on the employee's own time unless pre-approved by the Department Head;
4. Employees must provide evidence of satisfactory completion of certification

- or at least a “C” or “Pass” for educational courses through a record transcript from the institution;
5. All awards are one time only and may not be awarded as certifications are renewed;

Program Monitoring. Certifications and educational courses will be reevaluated annually. In addition, the program will be monitored annually for its effectiveness.

The Skill Enhancement Program shall be reevaluated annually prior to January 1. The program will be reviewed for effectiveness, changes in the certifications required, and relevant educational courses based upon new and/or changing technologies.

31.2 Tuition Reimbursement

Each fiscal year, Padre Dam will refund tuition fees spent by employees who take courses through recognized colleges, universities and correspondence schools to a maximum of the annual full-time tuition cost at San Diego State University. Padre Dam will also reimburse, in full, all educational expenses required by the courses (i.e., books, fees, lab supplies, etc.) No tuition refund will be made later than three (3) months after the completion of the course.

Courses not specifically related to work performed at Padre Dam but required to obtain a pre-approved college degree that does relate to work performed at Padre Dam may be reimbursed as described above.

Course work and/or degrees not specifically related to the work currently performed at Padre Dam but related to other positions within Padre Dam may be reimbursed, upon prior approval by the Department Head and General Manager, at 50% of the rate indicated above.

Employees are required to submit applications to the Department Head before starting courses for which tuition refund is requested. However, if this is not possible before enrollment, the application must be submitted no later than thirty (30) days following enrollment. In the case of correspondence courses, it is a requirement that applications for a tuition refund be submitted and approved before the employee makes a commitment.

No tuition refund will be made later than three months after the completion of the course.

31.3 Certification Bonuses

Certain job classifications require that the employee possess a specific college degree and/or certification issued by a recognized certifying entity (e.g., Department of Health, AWWA, CWEA, State of California, etc.). In several additional classifications, certification is not a prerequisite but advancement within those classifications is dependent on obtaining certain specific levels of certification or education. Other courses and/or certifications provide knowledge for employees to perform their duties more efficiently and to improve District services.

Padre Dam shall pay the cost of obtaining any required licensing or certifications.

Padre Dam is interested in providing employees the opportunity to qualify for new classifications when openings are available and advance within their present classifications. For this reason, a one-time cash bonus plan for certification has been established for those interested employees. The bonus plan is subject to District needs and requires Department Head and General Manager approval, which approval shall not be unreasonably withheld.

If an employee is denied a request for certification bonus, an appeal may be presented to PDEA for discussion and resolution.

ARTICLE 32

EMPLOYEE BENEFIT PAMPHLETS

32.1 General

The employee benefits described in this Memorandum of Understanding are a general summary of benefits provided. The actual insurance policies and contracts define and govern the specific benefits and eligibility requirements. Employee benefit pamphlets will be provided to each employee of Padre Dam at no cost to PDEA.

ARTICLE 33

GRIEVANCE PROCEDURES

33.1 Definitions

A "grievance" is defined as an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding.

A "grievant" is any employee of the bargaining unit adversely affected by an alleged violation of the specific provision of this Memorandum of Understanding, or PDEA. Unless PDEA is grieving Article 2, PDEA shall identify a bargaining unit member or members for each grievance filed.

A "day" is any day in which Padre Dam is open for business.

The "immediate supervisor" is the lowest level of supervision who has been designated to adjust grievances and who has authority over the grievant.

33.2 General Provisions

Every effort will be made by the parties to settle grievances at the lowest possible level.

All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants.

No party to a grievance shall take any reprisals against the other party to the grievance because the party participated in an orderly manner in the grievance procedure.

If Padre Dam fails to respond in writing to the grievance within the specified time limit, the grievant has the right to process the grievance at the next level. If the grievant does not process the appeal within the given time limits, the grievance shall be considered as settled and the grievant cannot thereafter grieve the specific incident again. The time limits specified at each level should be considered maximums, and every effort should be made to expedite the process. The time limits for a specific grievance, however, may be extended by mutual written MOU.

Every effort will be made to schedule meetings for the processing of grievances at time which will not interfere with the regular work day of the participants.

Either Padre Dam or the grievant may be represented at any step of the grievance procedure by an individual of the party's choice.

Any unit member may at any time present grievances to Padre Dam and have such grievances adjusted without the intervention of PDEA. In such cases the grievant may provide a copy of the grievance and the proposed resolution to PDEA, in which case PDEA shall have the opportunity to file a response. Upon request of the grievant, the grievant may be represented at any stage of the grievance procedure by a representative of PDEA.

Padre Dam and Association may agree to consolidate grievances at Level III and IV.

A grievance shall be null and void unless filed in writing within twenty (20) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. In no event shall a grievance include a claim for monetary relief for more than the twenty (20) day period plus such reasonable discovery period.

33.3 Level I -- Informal Resolution

Any unit member who believes he has a grievance shall present the grievance orally to his immediate supervisor within ten (10) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The immediate supervisor shall hold discussions and attempt to resolve the matter within five (5) days after the presentation of the grievance. It is the intent of this informal meeting that at least one (1) personal conference be held between the aggrieved unit member and the immediate supervisor.

Notwithstanding any of the foregoing paragraph, any unit member who believes he/she has a grievance may contact the Director of Human Resources in an attempt to resolve the issue. At the option of the Director of Human Resources, he/she may take appropriate steps as he/she deems necessary to resolve the matter. If the employee is not satisfied with the actions taken by the Director of Human Resources, or should the Director of Human Resources determine that the matter should be formalized, the formal procedure may be invoked with no prejudice to the employee.

33.4 Level II -- Formal Written Grievance

If the grievance is not settled during the informal conference and the grievant wishes to pursue the matter, the grievant shall present the grievance in writing on the appropriate form to the immediate supervisor within ten (10) days of the informal conference. In addition, a copy shall be presented by the grievant to the Director of Human Resources. The written information shall include:

- (a) A description of the specific grounds of the grievance, including names, dates, places and facts necessary for a complete understanding of the grievance;
- (b) A listing of the provisions of this Memorandum which are alleged to have been violated;
- (c) A listing of the reasons why the immediate supervisor's proposed resolution

of the problem is unacceptable; and

(d) A listing of specific actions requested by the grievant of Padre Dam which will remedy the grievance.

The immediate supervisor shall communicate the decision to the grievant in writing within ten (10) days after receiving the grievance. If the immediate supervisor does not respond within the time limits, the grievant may appeal to the next level.

Within the above time limits, either party may request a personal conference.

33.5 Level III -- Appeal to Department Head

If the grievant is not satisfied with the decision at Level II, the grievant may, within ten (10) days of the receipt of the decision at Level II, appeal the decision on the appropriate form to the department head. This statement shall include a copy of the original grievance and appeal, and a clear, concise statement of the reasons for the appeal.

The department head shall communicate the decision to the grievant within ten (10) days. If the department head does not respond within the time limits provided, the grievant may appeal to the next level.

Within the above time limits either party may request a personal conference.

33.6 Level IV -- Appeal to General Manager

If the grievant is not satisfied with the decision at Level III, the grievant may, within ten (10) days of the receipt of the decision at Level III, appeal the decision to the General Manager or his designee. The appeal shall be in writing on the appropriate form and shall include a copy of the original grievance, all decisions rendered and a clear and concise statement of the reasons for the appeal.

The General Manager or his designee shall respond to the grievance in writing within ten (10) days of receipt of the written appeal. The decision of the General Manager or his designee shall be final and binding.

ARTICLE 34

HIRING, PROMOTION AND TRANSFER OF RELATIVES

34.1 General

In accordance with Padre Dam policy, employment decisions are based upon an individual's qualifications for the position being filled. Except as provided below, Padre Dam does not prohibit the employment of relatives. However, Padre Dam reserves the right to exercise discretion in cases where relatives (as defined below) work together, occupy positions which create morale or supervisory problems or have access to sensitive or confidential information.

A. For purposes of this policy, a relative is defined to be a spouse, father, mother, child, brother, sister, aunt, uncle, niece, nephew, grandparent, grandchild, in-laws, significant other (romantic relationship), domestic partner (as defined in California Family Code §297), step parents/children and half brothers/sisters.

B. No relative of a candidate for employment shall make the final determination on the employment, appointment or promotion of that candidate.

C. No employee shall have a relative as a first-level supervisor.

D. The assignment of relatives to positions under the same first level supervisor is to be avoided.

E. Should a relative relationship evolve between employees (such as through marriage or a new dating relationship) that creates a situation as defined in "C" and "D" above, then either employee may apply for a job vacancy in another department for which the employee is qualified. The District shall make reasonable efforts to assign job duties so as to minimize problems of supervision, safety, security and morale. Employees are responsible to notify Human Resources of any working relationship which is prohibited by "C" or "D" above.

If after a six month period neither employees has transferred to another position, the two employees shall determine which one shall resign. Should no decision be made within fourteen (14) days, the employee with the lesser seniority shall be terminated.

F. If termination of either party occurs, the employee terminated will be given priority recognition to return to employment, subject to this policy and the re-employment conditions contained in Article 10.3, "Personnel Reduction."

ARTICLE 35

PADRE DAM "NO SMOKING FOR GOOD HEALTH" POLICY

Padre Dam is committed to a philosophy of good health and safety in the work environment. In keeping with this philosophy, it is essential that all indoor work places reflect Padre Dam's concern for good health and safety. Therefore, smoking is not permitted in any buildings, facilities, vehicles, or any other indoor work area, under any circumstances. Employees who wish to smoke must limit such smoking to outside areas where there is adequate ventilation to prevent smoke from entering non-smoking areas. This policy shall apply to both employees and non-employees alike.

ARTICLE 36

SUBSTANCE ABUSE TESTING POLICY

36.1 General

Padre Dam maintains a strict policy against being under the influence of, possession of, or the use of unlawful drugs while on duty, while on District premises, and while operating a District vehicle. To facilitate the administration and enforcement of this policy, Padre Dam may require or request employees to submit to alcohol or substance abuse testing under certain circumstances. Legally prescribed medications are excluded from this policy and permitted only to the extent that the use of such medications does not adversely affect an employee's work ability, job performance, or the safety of him/herself or others.

In cases where a supervisor or other District superior has reasonable suspicion to believe that an employee possesses or is under the influence of drugs and/or alcohol and such use or influence may adversely affect his/her job performance, or his/her safety or that of co-workers, alcohol and/or drug screening may be ordered. This suspicion must be based on objective symptoms, such as factors related to an employee's appearance, behavior, speech and/or other facts. If an employee is on medically prescribed medication which may adversely affect his/her work ability, job performance or safety of him/herself or others, it is his/her responsibility to advise his/her supervisor of this fact before he/she reports to work.

Testing may also be required if an employee is found to be in possession of physical evidence, i.e., drugs, alcohol or paraphernalia possibly connected with the use of illicit drugs. Testing may also be required if illicit drugs and/or alcohol are found in an employee's immediate work area. However, it should be emphasized that possession of drugs or alcohol is prohibited whether or not it is determined that an employee also used

such substances.

Alcohol and/or drug screening may be required following any significant work-related accident or any significant violation of safety precautions or standards, whether or not an injury resulted from such accident or violation.

Violation of this policy or failure to cooperate fully with any request to test may result in disciplinary action up to and including termination. Padre Dam will pay the full cost of any testing that it has requested of an employee, including the reasonable cost of any transportation to and from the designated testing facility. To maintain the employee's confidentiality, access to test results shall be restricted to the General Manager, or his designee, and supervisors within the employee's chain of command.

36.2 Compliance with Department of Transportation Regulations

Padre Dam and PDEA agree to comply with the terms and conditions of the Department of Transportation Regulations regarding drug and alcohol testing for those classes of employees as defined in the regulations.

ARTICLE 37

STRIKES AND LOCKOUTS

37.1 General

PDEA agrees that there shall be no strikes, work stoppages or slowdowns, and Padre Dam agrees that there shall be no lockouts during the life of this MOU. Any disputes arising for any reason shall be settled through the Grievance Procedure, Article 33.

ARTICLE 38

COMPETITIVE PRICING OF SERVICES

38.1 General

Padre Dam seeks to be the "benchmark" in providing cost-effective and competitive services to its customers. Padre Dam and its employees agree to work together to achieve competitive pricing of services. Padre Dam agrees that during the term of this MOU there shall be no layoffs resulting from competitive pricing of services.

38.2 Contracting Out

Consistent with Padre Dam's Workforce Partnership, each department shall be responsible for developing, through the Link Pin process, appropriate contracting out opportunities that help to achieve cost effective and competitive services, consistent with Competitive Challenge Initiative #8, "Outsourcing."

ARTICLE 39

PADRE DAM STANDARD PRACTICES & POLICIES

39.1 General

PDEA agrees that all other policies and practices set forth in Padre Dam Standard Practices and Policies Manual, not specifically included herein, shall apply and the members of PDEA shall be bound by those standard practices and policies as if they were contained herein. It is understood and agreed that if a conflict should arise between this Memorandum of Understanding and Padre Dam Standard Practices and Policies Manual, this Memorandum of Understanding shall prevail.

Padre Dam agrees to meet and confer with PDEA prior to implementing any changes to the Standard Practices and Policies Manual regarding wages, hours and working conditions that are not specifically covered in this Memorandum of Understanding.

ARTICLE 40

SAVINGS CLAUSE

40.1 General

It is understood and agreed that all provisions of this MOU are subject to applicable laws, and if any provision of any article of this MOU is held or found to be in conflict therewith, said article shall be void and shall not bind either of the parties hereto. However, such invalidity shall not affect the remaining articles of this MOU. In the event that any provisions shall be held unlawful and unenforceable by any court of competent jurisdiction, the parties agree to meet forthwith for the purpose of renegotiating such provisions in an attempt to reach a valid MOU.

ARTICLE 41

ENTIRE MEMORANDUM OF UNDERSTANDING

41.1 General

Padre Dam and PDEA have created this MOU in recognition that circumstances and interests may change during the life of this agreement, and addressing issues in a timely manner will improve communication and build trust.

An MOU creates flexibility to solve problems and clarify areas of confusion in the MOU. All issues and articles within the MOU are subject to review by the negotiating team using the procedures outlined below, except that wages as defined in Article 30 are not subject to reconsideration for the duration of this MOU.

Procedure:

1. Either Padre Dam or PDEA can request a meeting of the negotiating team to discuss the specific issues or articles contained in the MOU.
2. Notification by the General Manager and the PDEA President of the other party is required.
3. The notice shall be in writing and contain the issue(s) and interest(s).
4. Upon receiving the notification, both parties will schedule a meeting to occur within twenty (20) calendar days.
5. The negotiating team will utilize Interest-Based Problem Solving to address the issue and interests of both Padre Dam and PDEA.
6. All recommended changes must be agreed to by consensus and upon ratification by the PDEA and the Board of Directors, will be incorporated into the Memorandum of Understanding.

ARTICLE 42

DURATION

42.1 General

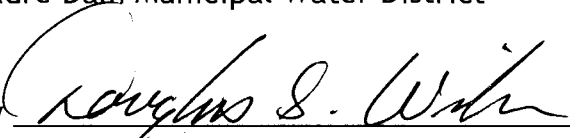
The term of this Memorandum of Understanding shall commence on July 1, 2007, and shall continue in full force and effect until June 30, 2012.

This Memorandum of Understanding shall be submitted to the Board of Directors of Padre Dam Municipal Water District in accordance with Section 12.18 of Padre Dam's Standard Practices and Policies Manual. This Memorandum of Understanding shall not be binding unless approved by the Board of Directors. If approved, it shall constitute a contract between Padre Dam and PDEA.

IN WITNESS WHEREOF, the undersigned agree to submit this Memorandum of Understanding to the appropriate bodies.

EMPLOYEE RELATIONS OFFICER
Padre Dam Municipal Water District

Dated: 5/14/07

By 
Douglas S. Wilson

PADRE DAM EMPLOYEES ASSOCIATION

Dated: 5/14/07

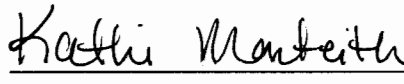
By 
Courtney Mael, President

The foregoing Memorandum of Understanding was approved by the Padre Dam Employees Association and Padre Dam Municipal Water District Board of Directors. Our signature below indicates our approval and support of the Memorandum of Understanding:

PDEA Board of Directors:



Courtney Mael



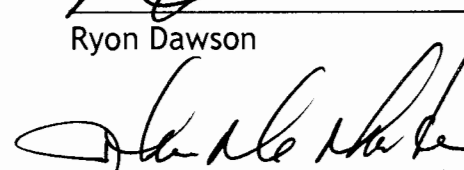
Kathi Monteith



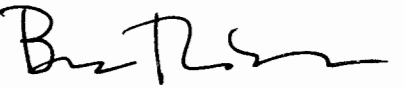
Eric Lucie




Ryon Dawson



John DeDonato

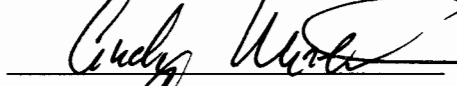


Brian Thornburgh



Nancy Mae Gallagher

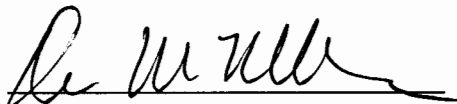
PDMWD Board of Directors:



Andy Menshek



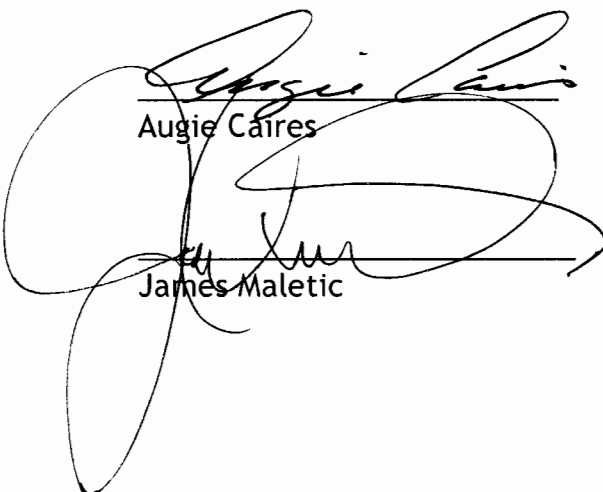
Augie Scalzitti



Dan McMillan



Augie Cairns



James Maletic