

MEMORANDUM OF UNDERSTANDING
BETWEEN
TAHOE CITY PUBLIC UTILITY DISTRICT
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS,
STATIONARY ENGINEERS, LOCAL 39
COVERING
ADMINISTRATION, UTILITIES,
ENGINEERING, PARKS AND RECREATION

EFFECTIVE JANUARY 1, 2015
THROUGH DECEMBER 31, 2019

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ARTICLE 1: RECOGNITION AND COVERAGE

This Memorandum of Understanding, hereinafter referred to as MOU, entered into by the Tahoe City Public Utility District, hereinafter referred to as the District or TCPUD and the International Union of Operating Engineers, Stationary Local No. 39, AFL-CIO, hereinafter referred to as the Union, has as its purpose the promotion of harmonious labor relations between the District and the Union; establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work and all other conditions of employment.

Pursuant to State Law, the District recognizes the Union as the exclusive negotiating agent for those job descriptions outlined in Exhibit A where employees work 1040 hours or more per year. Nothing in this Article shall preclude an employee from exercising his/her individual rights under State Law.

ARTICLE 2: ENTIRE AGREEMENT CLAUSE (ZIPPER CLAUSE)

This Agreement sets forth the full and entire understanding of the parties regarding matters contained herein and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matter are hereby superseded. Both parties acknowledge that they had full opportunity during negotiations to make any demands and proposals. There is no obligation on either party during the life of the MOU to bargain collectively with respect to any matter, whether included or not included in this MOU, except as provided in this MOU.

ARTICLE 3: UNION REPRESENTATION

The District recognizes and agrees to deal with representatives of the Union on all matters relating to grievance and the interpretation, application, or enforcement of the express terms of this MOU. The District agrees to comply with all Federal and State safety policies and directives.

The Union shall furnish the Human Resources Office upon change or as needed a list of all Stewards for Union. The TCPUD agrees to grant authorized officials and representatives access to designated TCPUD property to transact official Union business as provided for in this Article.

Upon the request of the aggrieved employee, a steward with the representative of the Union may investigate the specified grievance provided it is in his/her assigned areas of responsibility and assist in its presentation. They shall be allowed a reasonable time for this purpose during working hours without loss of pay, subject to prior notification and approval by his/her immediate supervisor. All stewards shall keep to a minimum the time spent in fulfilling their duties.

It shall be the responsibility of all parties to resolve disagreements regarding the interpretation and application of this MOU at the lowest possible level.

At the request of the Union, a steward may be allowed reasonable time off without loss of pay to represent the Union in meetings with representatives of the District. Such time off shall be subject to prior notification and approval as provided above.

UNION RIGHTS

1. Union Access - Union shall have access to Bargaining Unit members outside of their assigned duties; before and after work hours, at meal and break periods, without prior notice.
2. Bulletin Boards - Union may use bulletin boards designated for its use in appropriate places. All items to be posted shall be officially authorized by Union, and shall bear the date of posting and the date of removal. A copy shall be provided to the Human Resources Office.
3. Use of Facilities - The General Manager or Human Resources Office, upon request, may permit Union to use designated facilities, depending upon availability of space, for meeting purposes at no charge.
4. Time Off for Meetings - With prior approval from the General Manager, Unit members shall be given release time to conduct Union business during normal work hours.

AGENCY SHOP

1. Each employee covered by this Memorandum shall either acquire or maintain membership in the Union or shall be required as a condition of employment, beginning on the 31st day following the beginning of such employment or the effective date of this MOU, to pay the Union a fair share fee in an amount not to exceed the costs of administration of the MOU and the representation of the employee for the duration of this MOU.
2. Notwithstanding the foregoing, in accordance with Government Code Section 3502.5(a), any employee who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support the Union as a condition of employment. Such employee shall, in lieu of the service fee, pay sums equal to the service fee to March of Dimes, United Way, Fire Fighter's Burn Institute, or to the Tahoe Truckee Community Foundation. Proof of such payments shall be made on a monthly basis to the District as a condition of continued exemption from the service fee or membership requirement.
3. The Union will satisfy all legal requirements under Government Code Section 3502.5(d) by providing financial information to employees to allow them to gauge the propriety of the fair share fee. This information shall be updated by the Union and provided to employee upon request within sixty (60) days of the end of its fiscal year. The information shall cover local expenditures as well as any uses made by county, state, national and international organization to whom the Union transmits a portion of its dues and/or fair share fee funds.

4. The Union agrees to accept new employees into membership at an initiation fee not in excess of that established by its bylaws.
5. The District agrees to advise new employees of the existence of this MOU.
6. Objections to Agency Fee
 - a. An employee who is subject to the payment of an agency fee hereunder shall have the right to object to any part of that fee payable by him or her which is claimed to represent activities which are not germane to collective bargaining activity and/or that he/she claims to represent expenditures by the Union that are in aid of activities or causes of a partisan political or ideological nature and/or that are applied toward the cost of benefits available only to members of the Union and/or that are utilized for expenditures that are not necessarily or reasonably incurred for the purpose of performing the duties incidental to meeting and conferring or administering this MOU.
 - b. Prior to an employee having any obligation to pay an agency fee hereunder, the Union must have given sufficient financial information to such employees to allow them to gauge the propriety of the agency fee. This information must be updated by the Union and provided to employees of the District and the Agency at least annually. The financial information must itemize and adequately describe all categories of expenses. A qualified independent auditor must verify the information as complete and accurate. Information must cover local expenditures as well as any uses made by county, state, national or international organizations with which the Union is directly or indirectly affiliated and to whom the Union transmits a portion of its dues and/or agency fee funds.
 - c. The Union shall make available, at its expense, an expeditious and impartial administrative appeals procedure to employees who object to the payment of any portion of the agency fee. Such a procedure shall provide for a prompt decision to be made by an impartial decision-maker jointly selected by the Union and the objecting employee(s). A copy of such procedure shall be made available by the Union to the District and to any employee who is alleged to have the obligation to pay agency fees hereunder.
7. The Union agrees to indemnify, defend and hold the District harmless against any claims made of any nature and against any suit instituted against the District arising from its check-off for the dues and/or contribution to charity, insurance, or benefit programs on the Union, and shall pay any judgments against the District as a result of any such claims or suits.

ARTICLE 4: PAYROLL DEDUCTION

Payment of Union Dues, Initiation and Agency Fees - The Employer will make a single deduction of an initiation fee from newly hired employees who choose to become Union members and deduct one month's current and periodic Union dues or Agency fees based upon

a uniform dues schedule from the pay of each employee. Newly hired employees who are already active Local 39 members will not have the initiation fee assessed.

The Union agrees to indemnify, defend and hold the District harmless against all claims, demands, expenses, judgments or other liability on account of dues or charges, collected by the District pursuant to this MOU, and paid over to the Union. The Union agrees to refund to the District any amounts paid to it in error upon presentation of proper evidence thereof.

Credit Union - District employees may authorize deductions from their paychecks by submission of signed authorization cards in a form satisfactory to the District. Such deductions may be for purposes of savings and loan payments, credit union payments and other approved uses.

Deferred Compensation - The employee at his/her option may elect to have wages deducted and paid into a deferred compensation plan approved by the Internal Revenue Service.

Flexihle Spending Account - The employee at his/her option may elect to have wages deducted and deposited into a flexible spending account established and maintained pursuant to Section 125 of the Internal Revenue Code. Monthly account maintenance fees, if applicable, shall be paid by the participating employee.

Federal PAC - The District will deduct (\$) for each hour that the employee receives wages under the terms of the Agreement, on the basis of individually signed, voluntary authorized deduction forms. It is agreed that these authorized deductions for the Local 39 Federal Political Action Committee (PAC) are not conditions of membership in the Stationary Engineers, Local 39 or of employment with the District and that the Local 39 Federal PAC will use such monies in making political contributions in connection with Federal, State, and local elections. Payments shall be made on a separate check to Local 39 Federal PAC, accompanied by monthly reports reflecting employee hours worked on forms provided by the Local 39 Federal PAC, shall be remitted to 1620 North Market Blvd. Sacramento, CA 95834,

The costs of administering this payroll deduction for Local 39 Federal PAC are incorporated into the economic package provided under the terms of this Agreement so that the Local 39 Federal PAC has, through its negotiation and its execution of this Agreement, reimbursed the District for the costs of such administration.

ARTICLE 5: PAYMENT OF SALARY

Salaries and classification are set forth in Exhibit "A" and incorporated herein by reference.

The pay period for all employees shall be based on a biweekly period. Salaries shall be computed in accordance with the following provisions:

1. The regular salary for each employee shall be based on the actual number of days or hours worked in the period including authorized absences with pay, multiplied by the employee's daily or hourly rate.

2. Special payments, including overtime and other special payments, shall be calculated in accordance with the pertinent provisions of this MOU.

Salaries shall be paid to all employees in accordance with the following schedule; provided, however, those employees who are not paid pursuant to the regular biweekly payroll may be paid on a different date:

1. Regular salaries for each pay period shall be paid not later than the 5th weekday of the following week; except that if the 5th weekday of the following week falls on a non-work day, but is preceded by a work day, the salaries provided for herein shall be paid on the 4th weekday of said week; and except that if the 5th weekday of the following week falls on a non-work day and is preceded by a non-work day, the salaries provided for herein shall be paid on the first following work day of the next week.
2. Special payments shall be made not later than the regular payroll for the period following that in which such payments are earned or accrued.

Various increases and/or other changes occur effective January 1, 2015, January 1, 2016, January 1, 2017, January 1, 2018 and January 1, 2019 as follows:

1. Effective each January the following events relative to payment of salary will occur:
 - a. A Cost of Living Adjustment (COLA) will be applied to base wage and salary range using the average of the two following Consumer Price Indices (CPI): CPI for Urban Wage Earners and Clerical Workers (CPI-W) for San Francisco-Oakland-San Jose, CA and CPI-W for U.S. City Average All Items. Averages will be based on August to August percent change.
 - b. For 2015 a 3% COLA will be applied to base salary and salary ranges.
 - c. If the COLA is less than 0.00%, no change will be applied.
 - d. Employees with a less than satisfactory performance appraisal at last review and who are on month-to-month performance review status will not receive the COLA increase until the review results in a satisfactory rating. At that time, he/she will receive the increase retroactively.
2. Employees shall be formally evaluated annually in January of each year for his/her performance during the preceding year for employees hired before January 1, 2002, and on the anniversary date of satisfactory completion of probation for employees hired after January 1, 2002 and promoted employees. If there is room to move within his/her designated salary range, a merit increase of 1.00 – 5.00% will be applied to the employee's base salary. The merit increase percentage will be equal to the numerical score from the performance appraisal subject to the discretion of the supervisor with concurrence of the Department Manager and General Manager. All performance based merit increases will be effective on January 1st for performance in the prior year or on the employee's anniversary date, as applicable.

3. Employees having more than one year experience with the District and who have at least an annual performance evaluation in which the overall rating was "Achieves" or higher shall be eligible for a non-competitive promotion to the next position if such position exists. The employee must meet all the education, certification and licensing requirements for the position, and have demonstrated the ability to perform the full scope of duties required. All promotions to the next position will be in accordance with the Personnel Policy Manual and based on a business need for the position.
4. At the completion of 15 years of service with the District, an employee will receive a 2.5% longevity increase. This 2.5% amount will allow the employee to exceed the range of their position by 2.5%. Years of District service is defined as cumulative years with the District, which may or may not be consecutive.

COLA and/or MERIT INCREASES FOR Y-RATED AND CAPPED EMPLOYEES

As a result of the Classification and Compensation Study completed December 2014 and the associated revisions to Classification Salary Ranges, changes are necessary to how COLA and merit increases are applied for employees who earn more than their recommended salary ranges. In addition, the District will provide a non-base pay performance incentive program for such employees and for employees who are capped in their salary range.

Definitions:

- Earned Salary – The employee's Base Salary plus any earned Longevity Pay.
- Recommended Salary Range – The salary ranges approved by the Board of Directors to take effect January 1, 2015; based on the 2014 Classification and Compensation Study, modified for internal equity. These salary ranges are adjusted effective January 1st of each year by COLA.
- Y-Rated Employee – An existing employee with a Base Salary (excluding any longevity pay earned) in excess of the Recommended Salary Range. (New hires shall be brought in at the Recommended Salary Range.)
- Y-Rated Salary Range (Historical Salary Range) – The salary range as shown on the Salary Range Report for the Period January 1, 2014 – December 31, 2014 of a Y-Rated Employee.
- Capped Employee – An employee whose Base Salary (excluding any longevity pay earned) is equal to the maximum of the Recommended Salary Range.
- For employees who are evaluated at the 1st of every year, the COLA increase shall be applied to their Recommended Salary Range prior to determining their status above and the relative traditional performance increase and non-base performance incentive amounts.

Y-RATED EMPLOYEES:

- They will continue earning their current Earned Salary over the Recommended Salary Range maximum.
- They will not be eligible for annual COLA increases to current Earned Salary or Y-Rated Salary Range; except that, on January 1, 2015 only, the agreed upon COLA increase will be applied to their Earned Salary and Y-Rated Salary Range.
- Starting January 1, 2016 and for the remainder of the MOU, they will earn a non-base payment to offset the increasing employee contribution towards CalPERS pension contribution according to Article 27. This non-base payment will be equal to 107.65% (to cover employee FICA implication) of the amount being contributed towards CalPERS employer pension costs according to Article 27 (25% of COLA accumulating with a maximum of 50% of "Normal Cost" multiplied by their Earned Salary).
- If there is room above their current Base Salary to the Y-Rated Salary Range maximum, they will be eligible for traditional annual performance increases to their Base Salary up to the Y-Rated Salary Range Maximum with the earned performance increase amount also being applied to any earned Longevity Pay.
- If they are capped in their Y-Rated Salary Range (Base Pay equal to Y-Rated Range Max), they will be eligible for a non-base performance incentive pay amount at the time of their annual performance evaluation. This once per year lump sum payment will be an amount equal to half of their Earned Salary multiplied by their performance evaluation score (or remaining score amount for those who earned a portion of a traditional performance increase in the bullet above) expressed as a percentage.
- This non-base performance incentive payment will not be added to the employee's salary and will not be CalPERS reportable.

CAPPED EMPLOYEES:

- They will be eligible for agreed upon COLA increases to their Earned Salary and Recommended Salary Range at the 1st of each year.
- They will not be eligible for traditional annual performance increases.
- They will be eligible for a non-base performance incentive pay amount at the time of their annual performance evaluation. This once per year lump sum payment will be an amount equal to half of their Earned Salary multiplied by their performance evaluation score expressed as a percentage. This non-base performance incentive will not be added to the employee's salary and will not be CalPERS reportable.

TRANSITIONING EMPLOYEES: (Employee whose Recommended Salary Range catches up with their Y-Rated Base Salary or employees whose Base Salaries are reaching the top of their Recommended Salary Range.)

At the time of their annual performance evaluation, any employee who earns a performance evaluation score greater than the amount of room remaining between their Base Salary and their Recommended Salary Range will receive a combination of: 1) a traditional annual performance increase to their Base Salary equal to the amount available to bring them to their Recommended Salary Range maximum with the earned performance increase amount also being applied to any earned Longevity Pay; and 2) a non-base performance incentive payment for Capped Employees on the balance of their earned performance evaluation score.

For example, an employee who has 2% of room left in their range and who earns a 3% performance evaluation score would receive the 2% added to their base salary as the traditional performance increase, bringing them to their salary range maximum. Added to that, they would then earn a non-base performance incentive equal to $\frac{1}{2}$ of the remaining 1%.

LONGEVITY PAY:

Longevity Pay, for this section, is considered separate from Base Salary for the purposes of determining whether an employee is Y-Rated, Capped, or standard and for determining the relative traditional performance increase and non-base performance incentive amounts earned. However, any earned COLA, traditional performance increase, and/or non-base performance incentive earned will be applied to the Longevity Pay.

BILINGUAL PAY

For those employees identified by Human Resources which have assigned duties involving the regular use of bilingual skills, a differential of 5% of base pay shall be provided. Regular use shall be defined as using the skill a minimum of twenty percent (20%) or more in the course of the employee's assigned duties. Exceptions to this requirement will be reviewed by Human Resources on a case by case basis.

- a. Bilingual pay differential shall cease when the position is determined by the Human Resources Administrator to no longer require the bilingual skill or when the employee is assigned, transferred, promoted or demoted to a position not requiring the bilingual skill.
- b. Requests to have positions considered for bilingual differential shall be submitted by the Department Manager to Human Resources, whose determination shall be final, and shall include:
 - i. Position proposed for designation;
 - ii. Description of the bilingual duties being performed by each employee in sufficient detail to indicate the second language to be utilized, purpose, nature and frequency of use.

The District will establish an objective criteria, recognized by other agencies, to measure the individual's bilingual skills.

ARTICLE 6: HOURS OF WORK

The hours of work, including authorized absences with pay, for all employees covered by this MOU, shall normally be considered forty (40) hours per week. All employees shall have a regular starting and stopping time as scheduled and approved by management. Whenever possible, advance notice of any change shall be given employees. Time in excess of forty (40) hours per week shall be paid at time and one-half or compensatory time off (see Article 7) at option of employee. Scheduling employees to work shifts shall be made solely by the District. A differential pay increase of 10% will be applied for any employee working a required scheduled 8-hour shift that starts prior to 3 AM. See Article 7 below for more detailed descriptive and agreed language relative to overtime and compensatory time off.

The Department Manager may require any employee to work in excess of the normal hours of work whenever the needs of the District so require. Such additional work shall be compensated in accordance with the provisions which govern overtime payment.

ARTICLE 7: OVERTIME

Overtime work may be required of any employee in order to meet special or unusual needs of service beneficial to the District. Overtime must be approved in advance, in writing or by direct verbal approval, by the Department Manager or supervisor. Overtime is defined as the number of hours worked in excess of 40 hours in the regular workweek and in excess of eight hours per day, except as follows:

1. **Recreational Seasonal Activity Overtime Rules:** The District may allow employees assigned to the Recreation Division of the Parks and Recreation Department to work up to ten (10) hours in one day and no more than forty (40) hours in one week during seasonal activity functions. Any hours worked in excess of ten (10) hours in one day or forty (40) hours in one week will be subject to overtime payment consistent with the provisions of the MOU and applicable law, i.e., 1 1/2 times or 2 times the pay rate. The seasonal activity periods are defined as May 1 through September 15 and November 15 through March 15. Any Park employee of the Parks and Recreation Department may, on a voluntary and individual basis during the aforementioned defined seasons, and who is performing a recreational seasonal activity only, work up to ten (10) hours per day without any overtime compensation. In no event may Park employees work more than forty (40) hours per week without overtime. All Parks and Recreation employees of the Bargaining Unit will be compensated for overtime pursuant to the regular schedule, as described in this Article, in the non-seasonal activity periods. All Park and Recreation employees are encouraged to utilize CTO time as applicable and as stated in this Article.

Incidental overtime, defined as less than ten minutes non-recurrent extension of the workday/shift, is not compensable in any form.

All other overtime shall be compensable in increments of fifteen minutes. The employee and the employee's supervisor shall agree in advance per occurrence on whether overtime may be

worked. Pay at one and one-half times the employee's base hourly rate shall be entered on the payroll report in which the overtime was worked. All hours worked in excess of twelve (12) hours will be paid at double time.

Employees, who are entitled to take holidays off work as holidays occur, and who are required to work on a holiday when they would otherwise observe the holiday off, shall be compensated. See Article 17 (Holidays).

Any prior approved overtime accumulated during the TCPUD pay period will be paid to employee during the regular pay period when the overtime was earned unless employee and management agree in writing that compensatory time will be accumulated rather than paid.

No employee shall be allowed to accumulate more than 80 hours of compensatory time in any calendar year.

All compensatory time accumulated within the fiscal year by an employee shall be taken within that year at mutually agreeable times so long as it does not create an undue hardship to the TCPUD. Any unused compensatory time at year-end will be paid at current rate.

ARTICLE 8: STANDBY AND EMERGENCY ASSIGNMENTS

Whenever it is necessary for the protection of public health, safety or welfare, an employee may be required to remain on standby for emergency work and/or to perform emergency work during off duty hours, and will be paid for such services, in addition to his/her regular monthly salary, as provided by the provisions of the Fair Labor Standards Act.

Any utilities or parks employee who is required to remain on standby for emergency work shall be assigned to standby duty for a one-week period and shall be compensated in the amount of \$65 per weekday and \$75 per weekend day and holiday. This compensation shall be all-inclusive for at-home, on-call duties including responding by phone to customers.

For Utilities employees only use of the laptop computer to remotely access and modify the District's telemetry system shall be paid overtime at time and one half for actual time logged on, in 15-minute increments after 15 minutes.

Any utilities or parks employee assigned to standby duty assumes the responsibility of providing a substitute when he/she is unavailable for emergency calls. The employee assigned to standby duty shall notify the answering service of the name and telephone number of the substitute employee.

Should assigned standby employee miss regular workday due to illness/injury and callout occurs, employee must contact backup standby employee. Backup employee will receive prorated standby pay as well as any applicable overtime pay. Should no callout occur, originally assigned standby employee will receive standby pay.

Whenever an employee is ordered to perform emergency work in excess of the normal working hours per day, week or month, whether or not he/she is on standby duty, he/she shall be paid

for such work at the hourly equivalent of his/her monthly salary times one and one-half.

When utilities or parks employees are required to go to a worksite to respond to emergency work calls, they shall receive a minimum of two hours' pay; all time to be paid for at one and one-half times basic rate or two times basic pay rate if over 12 hours worked.

Utilities or parks employees assigned to standby duty shall be rotated, as per a posted schedule. Those employees so assigned shall have a vehicle supplied by the District whenever possible and shall be expected to be available at all times during the standby period.

During winter snow conditions an employee on standby will have a four-wheel drive vehicle provided if at all possible, at the discretion of management.

The TCPUD will provide a \$100 per week vehicle allowance for business use of a personal vehicle comparable to a District vehicle for call-back transportation with TCPUD agreeing to indemnify the employee for any verifiable property damage to the vehicle not covered by insurance (i.e., deductible) or the property damage (fair market value) of the vehicle if by chance the vehicle was "totaled" while being used for response to the on call program and there was no property damage insurance.

At the discretion of the District, a voluntary snow watch and snow removal stand-by system may be established. During the winter snow season, an employee with the skills to operate the appropriate heavy snow removal equipment can volunteer for one week at a time to serve on snow removal stand-by. In order to institute this program there must be an adequate number of employees who can commit for the season so that the District can eliminate contracting the service with a snow removal contractor. Employees who serve on snow removal stand-by shall be compensated \$250 per week plus any overtime worked to remove snow and must reside within the Tahoe/Truckee region. An employee volunteering for this service shall track the weather and visually check for snow conditions daily and shall respond accordingly per the snow removal policy (Exhibit C). The District may approve the take home use of a District plow truck dependent on the Utilities Superintendent's assessment of the weather forecast.

ARTICLE 9: WORKING OUT OF CLASS

On occasion, due to operational necessity, an employee may be required to perform a majority of essential duties of another classification with a higher salary range. In such cases, payment for out-of-class work shall be 5% above the regular base pay of the employee for all hours worked in the higher classification. Such pay shall be at the minimum of the higher classification and no more than the maximum pay of the higher classification.

Eligibility for out of class pay will be subject to the following conditions:

- A. The assignment to work in the higher classification must be made in advance by the Department Manager and approved by the General Manager.
- B. Employees who are assigned to the higher class must be required to perform a substantial number of the essential tasks of the higher level position. Consideration

shall be given to the employee's ability and qualifications to perform at a higher level and whether the lower level position is in direct line and job scope of the higher class.

An employee will be eligible for out-of-class pay when assigned to perform the duties of a higher classification for at least five (5) consecutive work days.

Out of class assignments shall not be used to circumvent the hiring process and will last no longer than 60 calendar days unless an extension can be mutual agreement upon by the Union and the District.

ARTICLE 10: EXTRA HELP ASSIGNMENTS

Extra help (temporary) employees work on an as-needed basis for an hourly wage providing miscellaneous services to the District. Duration is usually seasonal in nature and may be on a part-time or full-time basis; however, that duration is not expected to exceed 1,040 hours in any calendar year. Accordingly, extra help (temporary) employees shall not be entitled to any benefits of this MOU (save and except those statutory benefits which may apply to such an employee if he/she works in excess of 1,000 hours in any calendar year). An employee with an appointment of at least six months and one day AND half time or greater will then be eligible for health benefits described elsewhere in this MOU.

Such work of the extra help (temporary) employee is normally done on call at irregular intervals or without a set pattern, usually to meet peak workloads or temporary conditions such as vacation relief, paid sick leave, seasonal needs and other situations involving a fluctuating staff.

Extra help employees SHALL NOT be used to replace permanent personnel. Should an employee in this category apply for a regular, full-time position and be accepted for that position, then NONE of this employee's time accrued as an extra help (temporary) employee shall apply to lessen or diminish the time spent in the probationary period as described elsewhere in this MOU.

ARTICLE 11: ASSIGNMENTS REQUIRING MOTOR VEHICLES

1. Business Use of Personal Vehicles

Whenever it is necessary for an employee to use a motor vehicle in the performance of assigned duties, he/she shall have such vehicle furnished to him/her or he/she shall be compensated equal to the standard mileage rate allowed in the Internal Revenue Code for the first 15,000 miles of business use of a personal vehicle.

Any employee who operates his/her personal vehicle in the course of their employment shall provide a certificate of insurance reflecting active insurance of at least the minimum required by law.

2. Driving Policy

Any employee who is required to use a motor vehicle in the course of performing job duties shall comply with all applicable laws of the State of residence and issuance of license well as the following driving policy:

Employee Warning Status

- a. Any employee with any combination of incidents, i.e., three "at fault" accidents or two moving violations as defined in the California Vehicle Code (CVC) within the last two (2) years of employment shall be placed on "warning" status. A violation received in connection with an "at fault" accident shall be combined and counted as one incident. An "at fault" accident shall consist of an accident for which a sheriff, police or highway patrol report attributes fault to the employee, or an accident for which no such report was prepared with injury or property damage in excess of \$1,000.00 which the General Manager determines to be the majority fault of the employee .
- b. Any employee on warning status shall be subject to quarterly Department of Motor Vehicles (DMV) checks at the discretion of the General Manager.

3. Driving Limitations

- a. Any employee with any combination of incidents, i.e., three at fault accidents or three moving violations (see definitions in 2A) within the last three (3) years of employment, shall not be allowed to drive during the course of their employment, unless:
 - i. A DMV sanctioned defensive driving class is satisfactorily completed; and
 - ii. On a case-by-case basis the District receives approval from the District's insurer to maintain the employee's insurability under the District's policy of insurance, and, therefore permit the employee to drive in the course of their employment.

An employee not in compliance with this paragraph may be subject to disciplinary procedures in accordance with this MOU.

- b. Any employee who, within the last five (5) years of employment, has any of the following DMV reported driving incidents or convictions shall be prohibited from driving in the course of their employment:
 - i. Two driving while under the influence offenses; two driving while license is suspended or revoked offenses; two reckless or speed contest violations; or a combination of any two of these violations;
 - ii. Hit and run;
 - iii. Homicide or assault arising out of the operation of a motor vehicle.

An employee not in compliance with this paragraph may be subject to termination in accordance with this MOU.

4. Applicability of Subparagraphs 1, 2 and 3 Existing Employees

The provisions of subparagraphs 3.b.(1), 3.b.(2) and 3.b.(3) shall apply to all employees regardless of whether the incidents occur within or outside the course of employment;

5. Seat belts that are furnished in District vehicles shall be properly used, and every employee shall be fully informed that use of seat belts is a mandatory safety requirement. Cell phones shall not be used in violation of California law.

ARTICLE 12: ASSIGNMENTS REQUIRING TRAVEL

Employees assigned or authorized to travel in the performance of duties will be reimbursed for reasonable and necessary travel and meeting expenses incurred on official District business while ensuring sound fiscal control over these expenses.

Meal expenses shall be reimbursed at amount set by the United States General Services Administration. Daily per diem applies and excludes conference-arranged meals. Transportation and lodging shall be reimbursed at actual cost. Refer to the Personnel Policy Manual for specific guidelines.

ARTICLE 13: UNIFORMS

All Bargaining Unit employees who have successfully completed the probationary period are eligible for the uniform reimbursement. The District will reimburse employee, upon proof of purchase by receipt, up to the annual uniform allowance amount stated below, prorated per covered employee as necessary, for the purchase of uniforms, approved work clothing including boots and jackets for field staff, and logo-wear clothing. The type, style and color of the uniforms worn shall be at the discretion of the respective Department Manager. Uniforms shall be kept in a clean condition and good state of repair at the employee's own expense. The District logo is expressly owned by the District.

One set of foul weather gear consisting of waterproof pants, coat, hood and gloves shall be supplied by the District for use by any field staff requiring such gear. Foul weather gear shall be used exclusively during the performance of District work. Worn gear must be turned in to the District in order to obtain a replacement. Foul weather gear shall be returned to the District upon discontinuance of employment, including the end of seasonal employment.

The annual uniform allowance amount for employees within the Utilities and Parks Departments field staff is \$515.00 in 2014. Construction Inspectors I and II field staff, Engineering Technicians I and II field staff, and Recreation Department staff uniform allowance shall be 75% of the Utilities and Parks Department field staff. Office staff uniform allowance shall be 50% of the Utilities and Parks Departments field staff for TCPUD-logo office apparel only. Uniform allowances will be adjusted for cost of living each year of this

MOU using COLA noted elsewhere in this MOU.

This program is expanded on a pro-rata value for employees who work in the field and includes management's right to adjust downward for less than 100% field time, with no take away for existing classifications receiving this benefit.

Employees should not wear TCPUD logo-wear off-duty except for incidental errands on the way to and/or from work or to attend TCPUD-sanctioned events and social occasions. Employees should act in a professional manner and in accordance with the TCPUD PPM and this Agreement at all times while wearing logo-wear.

All logo-wear purchased by employee and reimbursed by the TCPUD shall be returned to the TCPUD at separation or at such time the clothing has reached the end of its useful life. Under no circumstances should logo-wear be discarded, donated to third parties or delivered to thrift shops.

ARTICLE 14: EDUCATIONAL ASSIGNMENTS

When practical and beneficial to the District, employees may participate in special educational and training programs. Employees are encouraged to upgrade their capabilities through training and special schooling.

The District shall pay all costs incurred for special training or license that is assigned or required by the District. The District shall reimburse most cost effective amounts for books, tuition and lab fees for courses independently arranged by employee subject to prior approval by the Department Manager of the cost and content. Proof of satisfactory course completion is required to obtain the District's financial participation.

ARTICLE 15: REST PERIOD

All District employees shall be allowed two paid fifteen (15) minute breaks, one during the first half of the shift and another during the second half of the shift.

ARTICLE 16: LUNCH PERIOD

All District employees shall be allowed a lunch period of not less than thirty minutes or more than one hour which shall be taken generally in the middle of the work shift.

All employees are required to take a lunch period. Any exception requires the prior approval of the Department Manager.

ARTICLE 17: HOLIDAYS

Eligible employees shall be entitled to the following holidays with pay, and no others, unless

affirmatively made so by resolution of the Board of Directors.

New Year's Day	Veteran's Day
Martin Luther King Day	Thanksgiving Day
President's Day	Day after Thanksgiving
Memorial Day	Christmas Eve
Independence Day	Christmas Day
Labor Day	Floating Holiday

If a holiday falls on a Sunday, it is observed on Monday. Holidays that fall on Saturday are observed on the preceding Friday.

If a holiday falls on a day off, the employee gets the next regular work day off.

In the event an employee is required to work on a holiday, he/she shall receive pay at a rate of one and one-half times his/her daily rate, plus holiday pay.

The floating holiday must be requested in writing and approved by the supervisor in advance of use. Like all other holidays, the floating holiday must be used within the calendar year and does not accrue or roll-over to the next year.

ARTICLE 18: GENERAL LEAVE WITH PAY

General leave with pay shall be earned by eligible employees based on time in service from date of employment. Years of District service is defined as cumulative years with the District and may or may not be consecutive years.

1. General leave credit shall accrue to the eligible employee on the first of the month following that in which it is earned.
2. Eligible employees who have less than five full years of service shall accrue general leave on the basis of 1.25 days for each full month of service (15 working days per year) for employees hired after 1/1/07 and 1.33 days for each full month of service (16 working days per year for employees hired prior to 1/1/07).
3. Eligible employees who have completed five years of service shall accrue general leave on the basis of 1.83 days for each full month of service (22 working days per year).
4. Eligible employees who have completed ten years of service shall accrue general leave on the basis of 2.25 days for each full month of service (27 working days per year).
5. Eligible employees who have completed 15 years of service shall accrue general leave on the basis of 2.33 days for each full month of service (28 working days per year).
6. Eligible employees who have completed 20 years of service shall accrue general leave on the basis of 2.41 days for each full month of service (29 working days per year).

7. Eligible employees who have completed 25 years of service shall accrue general leave on the basis of 2.58 days for each full month of service (31 working days per year).

General Leave Account

A. General Leave shall be used for:

- (1) Scheduled vacation leave.
- (2) Scheduled personal leave.
- (3) The initial hours of unpredictable illness or accident related absences, unless the employee qualifies for Workers' Compensation benefits, require the use of General Leave prior to any use of Sick Leave Reserve as described below. Such use requires that the employee notify his/her immediate superior or Department Manager, when giving notice is reasonable, prior to the time set for performing his/her daily duties. The initial use of General Leave for illness or injury shall apply as follows:
 - a. First consecutive 16 hours of absence for employees with less than 150 hours of accrued combined general and sick leave at the beginning of the affected payroll period.
 - b. First consecutive 8 hours of absence for employees with less than 200 hours of accrued combined general and sick leave at the beginning of the affected payroll period.
 - c. No initial use of General Leave is required for employees with more than 200 hours of accrued combined general and sick leave at the beginning of the affected payroll period.
 - d. First 24 hours for a, b, and c above may be taken without prior authorization or the need of a physicians' affidavit.
- (4) When an employee qualifies for Workers' Compensation benefits, the provisions of Article 24 shall prevail.

B. Beginning April 1, 2015 the maximum accumulation in the general leave account at any point in the year, shall be 40 working days (320 hours). General leave accrual will immediately cease once an employee reaches 320 hours. If the employee then uses or converts general leave to bring his/her balance below 320, he/she will begin to accrue general leave.

C. Employees are encouraged to schedule and use their general leave. Once an employee reaches an accrual above 280 hours, he/she may convert hours of general leave equal to the hours of general leave he/she has already used for time off during the current calendar year through the following mechanisms:

- (1) Conversion of hours at employee's current hourly salary to benefit programs offered by the District, such as a deferred compensation plan.
- (2) An employee has the option and may choose to receive his/her general leave by cash payment, hour-for-hour, at his/her respective straight time rate of pay.
- (3) The combined maximum conversion to (1) benefit programs and to (2) cash out is 80 hours in any one calendar year.
- (4) Conversion of hours to the eligible employee's sick leave reserve account at the rate of one hour of sick leave reserve for every one hour of general leave converted.

D. An employee who has more than six months of service and who separates or is terminated from District service shall be paid the monetary value of his/her full general leave account.

Cash Out of General Leave for Extraordinary Life Events or Disaster

- A. In the case of extraordinary life events such as, but not limited to: critical illness, death, purchase of a home, divorce, accident, relocation, earthquake, fire, flood, employees may request cash payment of their general leave beyond the amounts shown above. Approval of the Department Manager and General Manager are required.

All employees who have more than six months of service shall be eligible to use accrued general leave. The Department Manager shall determine the period when accrued general leave may be taken by each employee, consistent with the requirements of the department.

ARTICLE 19: SICK LEAVE WITH PAY

1. Sick leave with pay shall be earned by eligible employees based on time in service from date of employment. Years of District service is defined as cumulative years with the District and may or may not be consecutive years.

For the first five years of full time, permanent employment with the TCPUD, sick leave shall accrue on the basis of .666 day per full month of service (8 working days per year) and shall be credited to the eligible employee on the first of the month following that in which it is accrued.

Commencing with the first day of the sixth year of employment, sick leave shall accrue on the basis of one half day (.5) per full month of service (6 working days per year) and shall be credited to the eligible employee on the first of the month following that in which it is accrued.

2. Sick leave reserve account shall be for eligible employees.
 - a. Sick leave reserve shall be used for illness or accident related absences that

extend beyond the required initial consecutive general leave days, as described in Article 18. The initial consecutive hours of any such absence shall be charged to the general leave account or compensatory time. After the initial hours of general leave, any succeeding hours of absence shall be charged to the sick leave reserve account.

- b. When absence is for more than the initial 24 hours, as described in Article 18, the Department Manager may require the employee to file an affidavit or physician's certificate documenting the need for the absence.
 - c. The General Manager may approve the intermittent direct use of sick leave for an ongoing injury or illness upon proper proof.
 - d. When the sick leave reserve account is depleted, the employee may elect to use any general leave hours, which may be available in the General Leave account. Such leave shall be converted at the rate of 1 hour of General Leave for 2 hours of Sick Leave.
 - e. There is no maximum accumulation in the sick leave reserve account.
 - f. When an employee separates or is terminated from District service, there shall be no payment for unused sick leave reserve account accumulation.
 - g. Upon separation from District employment for retirement, accumulated sick leave reserve may be applied to extend the employee's length of service for retirement purposes under present Public Employees' Retirement System.
3. Following any absence for serious illness, injury or exposure to contagious disease, whether or not general leave or sick leave reserve was used, the Department Manager may require a statement by a medical doctor that the employee is fit to return to duty.

Eligible employees may use sick leave for the purposes specified in this Section:

- a. Absence from duty when quarantined because of exposure to a contagious disease or when incapacitated from performing his/her duties because of personal illness, injury or dental work.
- b. Absence from duty for examination or treatment by a medical doctor or dentist, under circumstances not involving quarantine or incapacity; provided, however, that such absences shall be scheduled at the discretion of the Department Manager.
- c. Absence from duty for the diagnosis, care and treatment of existing health conditions or for preventive care for a spouse or registered domestic partner, a child, parent, parent-in-law, grandparent, grandchild, sibling or close relative residing with the employee.
- d. Absence from duty for an employee who is the victim of domestic violence.

- e. Absence from duty necessitated by pregnancy, childbirth or related medical conditions.
- f. Upon separation from District employment for retirement, accumulated sick leave may be applied to extend the employee's length of service for retirement purposes under CalPERS.
- g. For the 2015 calendar year, sick leave may be bought down at 74% of current pay rate for the direct payment of purchasing previous CalPERS military service credit and CalPERS 457 Plan deposits, with the minimum cap on sick leave balance to be left on the books as following:
 - i. 3 years from age 55 retirement - 300 hours
 - ii. 2 years from age 55 retirement - 200 hours
 - iii. 1 year from age 55 retirement - 100 hours
 - iv. Upon age 55 retirement – 0 hours

Beginning in 2016 and for each remaining year of the contract the 74% of current pay rate will be reduced by 1%, until reaching 70%. 2016 – 73%, 2017 – 72%, 2018 – 71%, 2019 – 70%.

It shall be the mandatory duty of the Department Manager to enforce the provisions of this section and to record such absence for sick leave, including a clear statement of cause and such supporting evidence as is used in determining the necessity for such leave.

The Department Manager may require the employee to provide adequate evidence to substantiate the necessity for use of sick leave with pay and shall approve any necessary use.

Note: For general leave, general holiday or other related leave benefit, TCPUD will pay to each Bargaining Unit employee their general leave payments and/or vacation payment premised upon their current pay rate during the quarter at which time the general leave and/or vacation leave is taken.

**ARTICLE 20: FAMILY CRITICAL INJURY/ILLNESS AND BEREAVEMENT
LEAVE**

Family Critical Injury/Illness Leave is limited to the time definitely required up to five days, limited to one occurrence per year unless approved by the General Manager, and is for the critical injury or illness of a parent, spouse or registered domestic partner, child, grandparent, grandchild, sibling, or parent-in-law. Proof of injury or illness is to be provided upon request. Pay received under this section shall be integrated with and reduced by the amounts paid under the PFL program where applicable.

Bereavement Leave

Bereavement Leave is limited to the time definitely required up to five days and is for the death of a parent, spouse or registered domestic partner, child, grandparent, grandchild, sibling, parent-in-law, or the death of any relative residing with employee at the time of death.

ARTICLE 21: LEAVE FOR JURY DUTY

Full time, year-round employees and full time seasonal employees shall be allowed time off with pay, if required, in connection with jury duty.

The employee shall notify the Department Manager immediately upon receiving notice of jury duty.

ARTICLE 22: MILITARY ABSENCE

Eligible employees shall be allowed pay while on military duty for training in compliance with the Military & Veteran's Code, Section 395 et. esq.

ARTICLE 23: DISABILITY INSURANCE

An employee who has suffered possible injury shall immediately undergo such medical examination, as the District deems necessary. He/she shall not be considered absent from duty during the time required for such examination.

Any employee who is injured in the performance of assigned duties shall receive such medical examination, medical care, compensation and other benefits as are awarded under Workers' Compensation laws of California.

It is the employee's responsibility to report immediately to his/her supervisor any injuries, regardless of severity. It shall be the mandatory duty of an employee to report to his/her supervisor any possible injury on the date of occurrence or as soon thereafter as his/her condition permits. Failure to do so shall be considered cause of disciplinary action.

During any period of disability for which payment is not provided under Workers' Compensation Insurance, the employee shall be entitled to benefits provided pursuant to California State law and placed on disability leave with pay to the extent of any leave with pay, which he/she has accrued

The District will coordinate disability benefits with sick leave benefits if the employee so elects, as per the provisions of the District's Personnel Policy Manual Section 7.7, and the Family Medical Leave Act. After sick leave benefits are exhausted, general leave may be used.

Retirement benefits will not accrue during the period that compensation is not received.

ARTICLE 24: WORKERS' COMPENSATION INSURANCE

An employee who has suffered possible injury in the performance of District duties shall immediately undergo such medical examination, as the District deems necessary. He/she shall not be considered absent from duty during the time required for such examination.

If an employee is injured on the job, the supervisor shall immediately notify the General Manager and shall promptly provide such information as may be requested.

It is the employee's responsibility to report immediately to his/her supervisor any injuries, regardless of severity. It shall be the mandatory duty of an employee to report to his/her supervisor any possible injury on the date of occurrence or as soon thereafter as his/her condition permits. Failure to do so shall be considered cause of disciplinary action.

An eligible employee who is unable to perform an appropriate work assignment because of disability incurred in the performance of assigned District duties shall be entitled to benefits provided pursuant to the California Workers' Compensation Insurance Act.

During any period of disability for which payment is provided under Workers' Compensation Insurance, the employee will continue to receive his/her full wages in the form of Workers' Compensation benefit payment checks plus District salary for a period of 15 working days without deduction from accrued leave. Thereafter, the employee may elect to:

- a. Continue to receive full salary from the District to the extent of any leave with pay, which he/she has accrued; or
- b. Receive the Workers' Compensation benefit checks only, receiving no compensation from or charge to accrued leave.

If an employee elects, or is unable to coordinate accumulated sick leave/general leave credits with Workers' Compensation benefits, the District will continue to pay group health, life, dental, and long-term disability insurance during the employee's absence for a District work related injury for a period of ninety (90) days. Such period shall begin with the first day off work. Retirement benefits will not accrue during the period that compensation is not received.

Sick leave and general leave credits will continue to accrue for the ninety (90) day period. At the end of the ninety day period, any employee may petition the District to continue benefits as long as there is clear and compelling evidence that he/she will be capable of returning to active duty and state in writing that they have the desire and intent to do so.

An employee receiving only Workers' Compensation benefits will be placed on disability leave in accordance with state law, and the Family Medical Leave Act, except for the foregoing conditions.

All disability leave provisions of this section shall terminate on the date of the employee's recovery from disability, receipt of permanent disability under Workers' Compensation Insurance, retirement, termination from District employment or death.

ARTICLE 25: PHYSICAL EXAMINATION

Post Hire Fitness For Duty Examination:

Any employee may be required to take and pass a fitness for duty medical/physical and or/psychological assessment conducted by a physician or in the case of only a psychological assessment by a physician, psychologist or licensed MFCC or LCSW whenever, in the reasonable judgment of the Department Manager and General Manager, the best interests of the District require such an examination.

Employees who, in the opinion of the designated treating professional, are physically incapable of meeting the essential job functions, including requirements of his/her position (as more fully described in the applicable job description), may be reclassified, placed on leave within the parameters of the District's Rules and Regulation, Article 36 of this MOU, or may be separated from employment if physically incapable to perform.

ARTICLE 26: ANNUAL PERFORMANCE APPRAISAL

For employees whose evaluations come due at January 1 of each year, performance appraisals shall be completed by January 25th by the supervisor for all regular, regular modified schedules, and new employees. For employees whose evaluation dates fall on the anniversary of the date of the completion of probation, performance appraisals shall be completed within 30 days of that date. Supervisors shall report on the nature of the service rendered by each of their subordinates. The supervisor shall review the report with the employee before submitting it to the General Manager. The report will be in written form and may be subsequently modified by the TCPUD in reasonable meet and confer sessions with the Bargaining Unit.

If an employee is dissatisfied with his/her performance appraisal, the employee may confer successively with the employee's immediate supervisor, the head of the employee's department, and the General Manager. If the employee believes the employee performance appraisal does not correspond to the facts, the employee may appeal to the General Manager who shall make the final decision regarding the performance appraisal. A performance appraisal rating of "Unsatisfactory" shall be considered to fail to meet minimum efficiency standards. Employees receiving an annualized "Unsatisfactory" performance appraisal rating may be dismissed from District service, and if two consecutive annualized performance appraisal ratings of "Unsatisfactory" are made, the employee shall be dismissed from District service. Action taken under this Article is subject to the grievance procedure.

Merit increases described in Article 5, and when approved, will become effective on January 1, for those employees who are scheduled for their annual review in January or on the scheduled review date for all others.

Any employee who is disabled either as the result of a workers' compensation injury or for non-work related reasons and is unable to perform his/her duties during an entire annual evaluation period, shall not receive an evaluation nor be rated for purposes of that annual performance based merit assessment and calculation.

ARTICLE 27: HEALTH, DENTAL, VISION, LIFE INSURANCE, LONG TERM DISABILITY INSURANCE, CAFETERIA, RETIREMENT AND POST RETIREMENT HEALTH PLANS

The District shall make available to eligible employees health, dental, vision, life insurance, and long term disability insurance plans. Eligibility for health, dental and vision shall be based on Section 4980H of Title 26 of the United States Code and applicable United States Treasury Department regulations and interpretive guidance. Eligibility for life insurance and long term disability shall be based upon full time hours of employment.

The District shall provide and pay the full premium for coverage at least equal to the minimum standards shown below, except for those employees who prove equivalent personal coverage for medical and/or dental and/or vision. Coverage may be offered through a cafeteria plan by conventional insurance, self-insurance, preferred provider plan, or a combination thereof. The District may change insurance carriers or method of providing coverage at any time after meet and confer sessions with Union.

In the event there is a change in carriers or plans, such plans shall include reasonable cost containment provisions customarily utilized by most carriers, such as; second opinion for certain surgical procedures, hospital pre-admission review, emergency room use rules, and outpatient surgeries for certain surgical procedures. Such provisions shall not result in increased direct medical costs to individuals.

Any change in benefits, deductible, or co-pay-benefits that is dictated by the CalPERS Employee Board, will automatically pass through to the employees subject to meet and confer requirements.

TCPUD employees may review, or if desired obtain a copy of, the available compendium of coverage's offered through the CalPERS program for the Lake Tahoe Area and which are applicable to the employee. To review or obtain a copy of the Summary of Benefits describing the coverage's, please see Human Resources.

FLEXIBLE SPENDING ACCOUNT (FSA)

The Flexible Spending Account (FSA) allows you to use pretax contributions to pay for certain health care and dependent daycare services not covered by other benefit plans. Your participation in the FSA is entirely voluntary.

Eligibility: All health insurance eligible employees may utilize the FSA.

How the Plan Works: Two FSA accounts are available: a health care account and a dependent daycare account. At the beginning of each year, each employee is required to complete a Benefit Election form and turn it in to Human Resources. The District provides funds through its Cafeteria Plan for eligible employees. The maximum amount of employer-provided funds that can be put into a FSA is \$500 per employee. The sum of money, provided through the cafeteria plan, is based on the number of dependents as follows:

	Benefit to FSA	Remainder
Single Employee	\$500	\$380
Employee + 1	\$500	\$655
Employee + 2+	\$500	\$930

Funds from the column marked Benefit to FSA:

- Employee can opt to receive this benefit into the FSA to fund either the health care and/or dependent daycare account.
- Employee can waive this benefit and receive 50% paid over the course of the year. This is a taxable payment.

Options for the Remainder Funds shown in column above:

- Can be deposited into a Health Reimbursement Account (HRA). An HRA works much like an FSA Health Care Account works. Also, HRA funds can be used at separation for payment of health premiums. HRA funds roll over at 100% year to year. HRA funds cannot be used for Dependent Daycare reimbursement. The District will pay the service costs of the HRA while the employee is employed.
- Can be paid into employee's 457 Account. Employer deposits into 457 are subject to FICA tax.
- Can be taken as a cash payment at 50% of its value paid directly to the employee over the course of the year. This is a taxable payment.

DENTAL COVERAGE	
Maximum Per Year per Eligible Member	\$1,500
Employee Deductible, per calendar year	\$50
Exam, radiology, pathology, surgery, anesthesia, periodontics, endodontics, restorations, space maintainers, and orthodontics.	80% of eligible cost
Prosthodontics	50% of eligible cost
VISION CARE COVERAGE	
Maximum per year per eligible member:	\$350
To help defray the cost of vision care products and services as follows:	
Vision Examinations	
Lens Replacements	
Eyeglass Frames	
Contact Lenses	
Prescription Sunglasses	
Upon presentation of receipts, the District will pay the eligible member the lesser of maximum shown above, or the cost of vision care. Paid receipts from any optometrist, ophthalmologist or legitimate dispenser of vision care appliances will be accepted.	

The District shall provide term life insurance coverage in an amount equal to the employee's annual base salary, limited to \$75,000, with an option to apply for supplemental term life insurance available at the employee's expense in an amount up to five times the annual base salary or \$200,000 whichever is less. Supplemental insurance is subject to acceptance by the District's insurance carrier following application and medical examination, if required.

The District will provide Long Term Disability Insurance coverage for long term disability. The policy covers up to 66% of wages.

PENSION PLAN

The District shall continue to make available to eligible employees a pension plan. CalPERS identifies two tiers of membership:

PEPRA MEMBERS:

- Any new hire brought into CalPERS membership for the first time on or after January 1, 2013, and who has no prior membership in any other California public retirement system.

- Any new hire brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another California public retirement system.
- A member who established CalPERS membership prior to January 1, 2013, and who is hired by a different CalPERS employer after January 1, 2013, after a break in service of greater than six months.

CLASSIC MEMBERS: All CalPERS members that do not fit within the definition of a PEPR member.

The District's pension plan for Classic Employees is CalPERS 2.7% @ 55, Single Highest Year program. The District's pension plan for PEPR Employees is CalPERS 2.0% at 62, Three Year Average program.

Classic Members

As of December 31, 2014 the Employee Share of the pension cost was 5.65%. Effective January 1, 2015, the Classic Member's contribution towards the employee portion of the pension will be increased by 2.35%, so the employee is paying the entire 8% employee contribution.

Beginning January 1, 2015, Classic Members will contribute an amount equal to 25% of the increase of the Unfunded Accrued Liability (UAL) over the base year of 2014-2015 (\$211,893), as shown on the CalPERS Actuarial Valuation dated October 2014. Classic Members will contribute these funds by the District reducing its' existing contribution to their 457 deferred compensation plan. Beginning January 1, 2016 and for the remainder of the contract, Classic Member's will contribute an amount equal to 25% of the increase of the UAL over the base year of 2014-2015 (\$211,893), as shown on the CalPERS Actuarial Valuation for the corresponding year. Classic Members would contribute these funds through the following:

1. First, by an additional contribution to the "Total Normal Cost" equal to no more than 25% of COLA applied for same year until such time as the Classic Member is paying 50% of the "Total Normal Cost"; and, if needed,
2. The remaining balance to achieve the 25% of the UAL will be deducted from the District's contribution to the Classic Member's 457 deferred compensation plan.
 - At no time shall the contribution from COLA exceed 50% of the Normal Cost.
 - At no time shall the contribution exceed the 2% District contribution to employee 457 deferred compensation plan.
 - District will continue to contribute 2% of regular gross pay to employee deferred compensation, only subtracting the amounts specified above.

PEPRA Members

PEPRA Members will not contribute to the UAL and are already paying 50% of the Normal Cost, therefore will receive full COLA and will continue to receive the full 2% of regular wages into a 457 employee deferred compensation plan (see Article 5).

DEFERRED COMPENSATION

District will contribute 2% of regular wages for each employee into a 457 Deferred Compensation Plan, unless superseded by the section above.

POST-RETIREMENT MEDICAL BENEFITS

For employees hired after January 1, 2015: The District will pay the CalPERS minimum for post-retirement health to CalPERS, assuming he/she retires from the District and meets all CalPERS retirement requirements.

The employee will not receive this post-retirement benefit until he/she is vested with CalPERS through District employment, previous employment or combination of both.

For employees hired before January 1, 2015: The District will pay the following Post-Retirement Health benefit based on an employee's years of service with the District, assuming they retire from District. Years of District service is defined as cumulative years of service with the District and may or may not be consecutive years with the District:

0 - 5 years of service: No coverage until vested with CalPERS at the end of five years. (If an employee has previous employment that qualifies him/her for CalPERS vesting within the first five years of TCPUD service, he/she will be eligible to receive the minimum at the time of vesting.

6 - 10 years of service: For employees retiring after completion of five years of service to the completion of ten years of service, the District will pay the CalPERS minimum to CalPERS on their behalf.

11 - 15 years of service: For employees retiring after completion of ten years of service to the completion of fifteen years of service, the District will pay the CalPERS minimum to CalPERS on their behalf.

The District will pay to the employee the difference between the CalPERS minimum and the amount as appropriate: \$317.42 for a retiree with 2 dependents; \$248.42 for a retiree with 1 dependent; \$124.21 for an individual.

16-20 years of service: For employees retiring after completion of fifteen years of service to the completion of twenty years of service, the District will pay the CalPERS minimum to CalPERS on their behalf.

The District will pay to the employee the difference between the CalPERS minimum and the amount as appropriate: \$476.13 for a retiree with 2 dependents; \$372.63 for a retiree with 1 dependent; \$186.31 for an individual.

21+ years of service: For employees retiring after completion of twenty years of service the District will pay the CalPERS minimum to CalPERS on their behalf.

The District will pay to the employee the difference between the CalPERS minimum and the amount as appropriate: \$634.85 for a retiree with 2 dependents; \$496.84 for a retiree with 1 dependent; \$248.42 for an individual.

If a retiree chooses a different medical plan, they will receive the dollar amounts based on the years of service as described above.

Eligible retirees continue to receive Dental and Vision Insurance coverage as per the District's Summary Plan Description:

For employees who are at least 50, retire from the District with at least five years of continuous service, and contributed to a PERS Retirement Plan for at least five years, dental/vision coverage for retiree and dependents continues as described below. Covered dependents are limited to those eligible at retirement.

For retiree's spouse: Dental/vision coverage continues until the earliest of the date retiree's spouse reaches age 65, the date retiree would have reached age 65 if retiree dies before reaching age 65, or the date retiree dies if retiree dies on or after reaching age 65.

For retiree's dependent children: Dental/vision coverage continues until the earliest of the date the child ceases to be eligible or the date retiree would have reached age 65 if retiree dies before reaching age 65, or the date retiree dies if retiree dies on or after reaching 65.

BENEFIT SCHEDULE

The classification and status of benefits for those employees subject to this MOU shall be as follows:

Classification	Characteristics	Benefits
Regular - modified schedule	Works abridged schedule of at least 30 hours per week year round but appointment is less than 2,080 hours per year	Statutory benefits and prorated fringe benefits of regular, full-time positions
Regular, full time	Works full time, year round schedule; appointment is for 2,080 hours per year	All statutory and fringe benefits

ARTICLE 28: STATE DISABILITY INSURANCE

The District shall deduct premiums from the pay of eligible employees covered by the Union Bargaining Unit and remit to the State Disability Insurance program coverage.

ARTICLE 29: EMPLOYEE TRAINING

It is the policy of the District to encourage and facilitate a program of training in the interest of employee efficiency and as an aid to qualifying employees for advancement. Please refer to Exhibit B Career Advancement Policy. The Department Manager may take any of the following steps to develop and facilitate training programs.

1. Give counsel and advice to employees, when requested, and inform them of possibilities of advancement in their field of work, and suggest any additional training of value.
2. Develop and establish training programs for all employees, including supervisory personnel.
3. Promote employee-training programs sponsored by educational institutions.
4. Record the completion of training programs on the employee service record.
5. Where a TCPUD Local 39 member is required to have a Class B license, the TCPUD will provide, at its expense, the training for each employee that must be trained. No incentive pay shall be provided to any employee for the Class B license where the license is a requirement for performance of their job duties. Where the utilization of a Class A driver's license is required to perform one's job duties, the District will pay a one-time rate of \$100.00 to that Bargaining Unit employee who has or obtains this license so that he/she can perform the required duties. The District will provide, at its expense, the training for an employee to obtain this Class A license if the license is required for the employee to satisfy his/her job duties.
6. At the District's discretion an employee may become certified as "Examiner" for commercial drivers' license training. Such employee shall receive \$25.00 per pay period for holding this certificate in good standing.

ARTICLE 30: STANDARDS OF CONDUCT AND DISCIPLINARY ACTION

1. LETTER OF REPRIMAND

- a. Letters of reprimand shall not be appealable, except the employee may have an administrative review of the reprimand by submitting a request in writing within seven (7) working days to the General Manager or designee. The General Manager or designee will schedule a private meeting within seven (7) working days of receipt of the written request to hear the employee's response. A final written decision will be rendered by the General Manager or designee within seven (7) working days of the meeting. This Section shall not be subject to the Grievance Procedure.
- b. Such letter will be withdrawn from an employee's official personnel file at

employee's written request, three (3) years from the date of issue provided there has not been additional written discipline imposed during the three (3) year period.

2. DISCIPLINARY ACTIONS

- a. Regular employees may be disciplined for just cause only. Discipline may include, but shall not be limited to, suspension (with or without pay), transfer (with or without loss of pay), demotion, performance improvement plan, in-grade salary reduction, last chance agreement and discharge.
- b. If the District, after investigation, intends to take disciplinary action against an employee other than oral or written reprimand, it shall give the affected employee written notice of the intended disciplinary action, including the causes for the intended disciplinary action, the acts or omissions that constitute the causes of the intended disciplinary action, the material upon which the action was based, and the effective date of the intended disciplinary action.
- c. The affected employee shall have the right to a pre-disciplinary review process (Skelly) in cases where deprivation of employee property occurs. The employee shall be given five (5) working days unless otherwise agreed upon based upon reasonable request for extension from the notice of intent to take action in which to respond to the proposed disciplinary action. The reviewing officer shall make a recommendation to the General Manager or designee within five (5) working days of the meeting.
- d. The General Manager or designee shall consider the recommendations and issue a final written determination within five (5) working days. If discipline is imposed, the employee may appeal the action under Section 30.3 of this Article.
- e. If an individual employee covered by this Agreement files an appeal of discipline, and Local 39 does not pursue such appeal, the employee may pursue such appeal and shall assume all of the rights and responsibilities of Local 39 in the appeal process pursuant to this Agreement, including but not limited to the cost of the arbitrator.

3. APPEAL HEARING PROCEDURE – ARBITRATION

After the District issues its final written determination, the employee or his/her representative may appeal the disciplinary action to arbitration as follows:

- a. Request for arbitration shall be made in writing to the General Manager or designee within ten (10) standard working days after the date of the General Manager's response. An impartial arbitrator shall be selected jointly by the parties within ten (10) standard working days of receipt of the request. The parties shall attempt to mutually agree on an arbitrator. If the parties cannot agree on an arbitrator, they shall make a joint request to the State Mediation and Conciliation Service for a list of Seven (7) qualified arbitrators. The parties shall

each strike three (3) names from the list and the remaining person shall be accepted as the arbitrator. The first party to strike will be determined by the flip of a coin. When an arbitrator is not available, a new selection may be made in accordance with this provision. The arbitrator shall have access to all written statements and documents relevant to the grievance.

- b. The arbitrator shall render his/her decision no later than thirty (30) calendar days after the conclusion of the hearing. Such decision shall be made in writing in accordance with, and in conformance to, the terms of this Agreement and shall be final and binding on the Authority, the Union and the employee. Copies of the decision will be furnished to all parties.
- c. The arbitrator shall have no authority to add to, delete or alter any provision of this Agreement, but shall limit his/her decision to the scope, application and interpretation of the provisions of this Agreement and shall make no decisions in violation of existing law.
- d. The District and the employee, or their representative, each shall bear one half (1/2) the cost of the arbitrator. If either party requests a court report be present during the arbitration hearing, all costs associated with the court reporter shall be borne by the requesting party, unless a court reporter is mutually agreed upon, in writing, by both parties.
- e. Employees shall not suffer loss of compensation for time spent as a witness at an arbitration hearing held pursuant hereto. The Union agrees that the number of witnesses requested to attend and their scheduling shall be kept to a reasonable minimum.

4. IN-LIEU DISCIPLINE

By mutual agreement between the General Manager or designee and the employee, an employee suspended from duty without pay may forfeit accumulated General Leave or other accumulated leave credits in lieu of the suspension. The District shall not deny use of accumulated leave credits in an attempt to persuade the employee to waive his/her appeal rights. If the suspension is reduced or reversed at the conclusion of the appeal process, the District shall reinstate the forfeited credits. This provision shall not be subject to the Grievance Procedure.

ARTICLE 31: EMPLOYMENT

It is the policy of the District that its employees shall be selected on the basis of fitness, merit and efficiency. Job openings are to be anticipated and well publicized throughout the District so that qualified employees and others will have full opportunity to present applications for consideration.

Types of Employees:

1. **Classified Employees** - shall be all employees filling positions within the approved table of organization that are responsible to a supervisor or Department Manager rather than the General Manager or Board of Directors.
2. **Probationary Employees** - are those employed for a classified position but who have not been in District service for a consecutive six-month period. All new employees shall serve as probationary employees for the first six months of their employment. Completion of a satisfactory probation period is mandatory before becoming a classified employee. During this time the employee must demonstrate that he/she can and will perform the duties of the position satisfactorily. It is the responsibility of the employee's supervisor to give him/her proper orientation and training during this period. The supervisor is also to rate his/her performance, and if unsatisfactory, to dismiss him/her before the employee is given a permanent position with the District. Final probationary performance appraisals shall be given no later than the 7th month of employment. At this time the employee will be eligible for a 0.50% to 2.50% merit increase. The merit increase percentage will be equal to one-half of the numerical score from the probationary performance appraisal subject to the discretion of the supervisor with concurrence of the Department Manager and General Manager. This new date becomes the employee's annual evaluation date for employees hired after January 1, 2002.

Promotion of Classified Employees - Any classified employee promoted to a different job classification shall serve a six-month probationary period before attaining permanent status in the new classification. During said probationary period said employee shall retain permanent status in his/her last held classification, and if he/she does not successfully complete his/her probationary period, he/she shall be returned to his/her last held classification with no loss in seniority or other benefits.

3. **Temporary Employees/Extra Help** - are those employed for a limited period of time and/or for a position not included in the approved current job classification. Temporary employees may become probationary or classified employees by appointment.

ARTICLE 32: DEMOTIONS AND LAYOFF

If the District determines that it will be necessary to lay off District employees, whenever possible, the District will inform the employees involved at least thirty days prior to the effective date of the layoff. Employees will be laid off in reverse order of seniority by classification within the District. Employees in higher classes will be given the opportunity to demote to lower classes for which they are fully qualified, recognizing the fact that this may result in the layoff of employees in lower classes because of less seniority with the District.

An employee who has been laid off has the right to re-employment for a period of ninety days, provided he has the necessary qualifications for the position to be filled.

ARTICLE 33: VACANCIES AND PROMOTION

1. When District examinations are announced for classes represented by the Union, a copy of the examination announcement shall be sent to the Union. The District will notify the Union of the names of all persons hired in classes represented by the Union.
2. The Department Manager shall be responsible for the administration of competitive examinations to fill vacancies in the District service if necessary.
3. Examinations may consist of written, performance, or oral tests, by a comparison of the candidate's educational and experience background, or any combination thereof. The determination of the type of examinations shall be made by the Department Manager and approved by the Board.
4. Candidates who successfully qualify in an examination if administered shall be placed on an eligible list in the order of their relative final scores.
5. Vacancies in the District shall be filled by promotional examinations whenever practical as determined by the Department Manager and General Manager. If the Department Manager finds that the personnel employed by the District lack the necessary qualifications to fill the position, he/she shall hold an examination open to all who may wish to apply and who have the necessary qualifications.
6. When new or additional employees are needed, the District shall notify the Union of the number and qualifications of employees needed so that the Union may have a reasonable opportunity to refer applicants for the vacancies to be filled.
7. When an employee is promoted to a higher classification he/she shall receive a minimum increase of 5% effective at the next regular pay period.

ARTICLE 34: PERSONNEL FILES

Copies of Warning Notices will be furnished to the employees. Upon the employee's request the District shall, at reasonable times, permit that employee to inspect such personnel files which are used or have been used to determine that employee's qualifications for employment, promotion, additional compensation, termination or other disciplinary action.

ARTICLE 35: MANAGEMENT RIGHTS

The Board of Directors retains the exclusive right to manage the District and carry out its constitutional and statutory functions and responsibilities. Nothing contained in this MOU shall be construed to require the District to meet and confer on matters which are solely a function of management. Among the rights specifically retained by the District (although not intended as a complete list but only as some examples) are the right to direct the work force; to select and determine the number and types of employees required; to determine the content

of job classifications and job descriptions; to hire, transfer, promote, suspend, discipline and discharge employees; to assign work to employees in accordance with the requirements determined by the District; to establish and change work schedules and assignments; to lay off employees for lack of work; to expand or diminish services; to subcontract any work or operations, except where such contracts for service would be for the sole purpose of workforce reductions; to determine and change methods of operations; to determine and change work locations and the processes and materials to be employed; to take all necessary actions to perform its functions in emergencies.

On demand of the Union, the District shall meet and confer with the Union with respect to the effects, if any, upon the hours, wages and other terms and conditions of employment of employees, of any decision the Directors render pursuant to the management rights set forth above.

ARTICLE 36: RULES AND REGULATIONS

The District retains the right to make reasonable rules and regulations, not in conflict with this MOU that the District may from time to time deem best for the purposes of maintaining order, safety, and/or effective operation of District services. The District shall meet and confer with the Union of any changes to the rules and regulations.

ARTICLE 37: GRIEVANCE AND ARBITRATION PROCEDURE

1. PURPOSE

In order to establish a harmonious and cooperative relationship between the District and its employees, and to keep open channels of communication, it shall be the District's policy to provide for the settlement of differences through an orderly grievance procedure. It is the District's policy to assure its employees the right of access to this procedure in good faith, free from interference, restraint, coercion or reprisal. The procedure applies to all employees and Local 39 bargaining unit representatives of this MOU.

It is the intent of the parties to resolve grievances at the lowest practicable level and as promptly as possible. Any grievance not initiated or pursued by the Union, aggrieved employee, or group of employees, as the case may be, within the time limits of the steps, will be considered settled on the basis of the last timely answer by the District.

If the District does not meet the time limits, the Union may process the grievance to the next step of the Grievance Procedure. The time limits may be extended by written agreement of both parties.

2. DEFINITION

- a. A grievance is a dispute between the District and the Union or a good faith complaint of an employee or group of employees involving the meaning,

interpretation, application or enforcement of the express terms of this MOU and the District's Personnel Policy.

- b. As used in this procedure, the term "Supervisor" means the individual to whom an employer has a direct reporting relationship.
- c. As used in this procedure, the term "party" means an employee, the Union, the District or their authorized representatives.
- d. As used in this procedure, the term "standard working days" means "Monday through Friday," excluding holidays.

3. PROCEDURE

Grievances will be processed in the following manner and within the stated time limits.

4. INFORMAL GRIEVANCE

The aggrieved employee or group of employees or a representative of the Union shall orally present the grievance to the employee's supervisor or his/her designated representative within five (5) standard working days following the occurrence of events on which the grievance is based. The supervisor shall give his/her answer within five (5) standard working days of the date of presentation of the grievance. Grievance settlements at the informal level shall set no precedents in any future Agreement interpretation.

5. FORMAL GRIEVANCE STEP 1

If the grievance is not resolved at the informal level, the grievant may present the grievance to the Human Resources Administrator or designee in writing within ten (10) standard working days after the supervisor's answer. The grievance shall be submitted in writing on the grievance form provided by the District. The written grievance shall set forth the alleged facts or circumstances giving rise to the grievance, the applicable section of the Agreement asserted to have been violated and the remedy or correction requested of the District. The written grievance must be dated and signed by the grievant or Union representative. The Human Resources Administrator or designee shall meet with the aggrieved employee or group of employees and/or the Union representative within five (5) standard working days after receipt of the written grievance in an attempt to resolve the matter. The Human Resources Administrator or designee shall respond in writing within ten (10) standard working days after the grievance meeting.

6. FORMAL GRIEVANCE STEP 2

If the grievance is not satisfactorily resolved at Formal Step 1, the written grievance may be presented to the General Manager or designee within ten (10) standard working days after receipt of the Human Resources Administrator's or designee's written answer. The General Manager or designee shall meet with the aggrieved employee or group of employees and/or the Union

Representative within five (5) standard working days after receipt of the written grievance in an attempt to resolve the grievance. The General Manager or designee shall render a written decision on the grievance to the Union within ten (10) standard working days after the meeting.

7. FORMAL GRIEVANCE - ARBITRATION

- a. Grievances not settled in Formal Step 2 of the Grievance Procedure may be appealed to arbitration by the Union. Request for arbitration shall be made in writing to the General Manager or designee within ten (10) standard working days after the date of the General Manager's response. An impartial arbitrator shall be selected jointly by the parties within ten (10) standard working days of receipt of the request. The parties shall attempt to mutually agree on an arbitrator. If the parties cannot agree on an arbitrator, they shall make a joint request to the State Mediation and Conciliation Service for a list of seven (7) qualified arbitrators. The parties shall each strike three (3) names from the list and the remaining person shall be accepted as the arbitrator. The first party to strike will be determined by the flip of a coin. When an arbitrator is not available, a new selection may be made in accordance with this provision. The arbitrator shall have access to all written statements and documents relevant to the grievance.
- b. The arbitrator shall render his/her decision no later than thirty (30) calendar days after the conclusion of the hearing. Such decision shall be made in writing in accordance with, and in conformance to, the terms of this Agreement and shall be final and binding on the District, the Union and the employee(s). Copies of the decision will be furnished to all parties.
- c. The arbitrator shall have no authority to add to, delete or alter any provision of this Agreement, but shall limit his/her decision to the scope, application and interpretation of the provisions of this Agreement and shall make no decisions in violation of existing law.
- d. The District and the employee or group of employees, or their representative, each shall bear one half (1/2) the cost of the arbitrator. If either party requests a court reporter be present during the arbitration hearing, all costs associated with the court reporter shall be borne by the requesting party, unless a court reporter is mutually agreed upon, in writing, by both parties.
- e. Employees shall not suffer loss of compensation for time spent as a witness at an arbitration hearing held pursuant hereto. The Union agrees that the number of witnesses requested to attend and their scheduling shall be kept to a reasonable minimum.

8. GENERAL PROVISIONS

- a. No matter shall be considered as a formal grievance unless it is presented in writing within twenty (20) standard working days after the occurrence of the events on which the grievance was based except by mutual agreement between

the parties.

- b. The Union Business Representative or designee shall have the authority to settle grievances for either the Union or employees at the respective steps of the Grievance Procedure.
- c. An employee or group of employees may present a grievance to District management during working hours without loss of compensation. A reasonable amount of time off for the employee or group of employees to present the grievance shall not be unreasonably denied.

9. TIME EXTENSION

The parties by mutual written consent may extend any of the time limits set forth in this Article

ARTICLE 38: MATERNITY LEAVE

In order to comply with legal requirements and to ensure that there is no discrimination against employees on the basis of pregnancy, childbirth and related medical conditions shall be treated as any other temporary disability.

An employee may take a leave of absence on account of pregnancy for a reasonable period of time, provided such period shall not exceed that allowed by law.

Such employee shall be entitled to use any accrued sick leave and/or any accrued vacation leave during this period of time.

ARTICLE 39: EMPLOYEE ASSISTANCE PROGRAM

Consistent with Article 24 and where appropriate through a third-party administrator, the District shall reasonably accommodate any employee who wishes to enter counseling for mental or other personal problems and/or participate in an alcohol and drug rehabilitation program provided that this reasonable accommodation does not impose an undue hardship on the employer.

An employee who enters such a program shall have his/her privacy protected by the District. Any employee seeking such a program should contact the designated third-party administrator as previously announced and posted by the District.

The employee may utilize all general and sick leave and/or seek a leave without pay for such a program. Utilization of this time shall be handled by and through the third party administrator and the District.

The District offers two EAP Programs. The first is a District-managed program wherein the District shall pay the balance of uninsured liability up to \$1500 annually, excluding deductible

for mental health treatments outside of insurance coverage. The second is offered through Joint Powers Insurance Authority and includes in-person counseling as well as financial and legal consultations.

Nothing in this Employee Assistance Program shall be construed to prohibit the District from utilizing a fitness for duty assessment pursuant to Article 25 or taking disciplinary action pursuant to this Agreement against an employee for use or continual use of alcohol or drugs if the employee is unable to perform his/her job duties and/or creates a harm or danger to himself, herself, other employees or the public.

ARTICLE 40: SAFETY WORK PROGRAM

A \$2,000 safety pool will be distributed to Bargaining Unit employees on a pro-rata basis with the first paycheck of the year for the previous year. The TCPUD General Manager or his/her designee shall exclusively determine if an employee is at fault or not on any incident/accident or event. Should a Bargaining Unit employee have any degree of fault attributed to him/her by the TCPUD General Manager or his/her designee, then that employee shall not be eligible to participate in the pool at the end of the fiscal year.

As part of the District's safety incentive program, all employees who remain accident free for six months, having no reportable on-the-job accidents or injuries, or at fault vehicle accidents, will receive eight hours of general leave, and an additional eight hours of general leave will be awarded for one-year accident free performance. Award of the general leave will be made semi-annually.

ARTICLE 41: NO STRIKE CLAUSE

Neither the Union nor any of its agents, nor any of its members will individually, concertedly, collectively, or in any manner whatsoever engage in, incite, or participate in any picketing, strike sit-downs, work stoppage, sympathy strike, or other interference with work during the term of this MOU and the Employer agrees that during the term of this Agreement it will not lock out any of the employees covered by this MOU. It is further understood that the duly authorized representatives of the Union shall have the authority and the responsibility on behalf of the Union to enforce the terms of this MOU, including active encouragement of employees engaging in a violation of this section to cease such conduct.

ARTICLE 42: REOPENER

The parties agree that, in the event of an unforeseen emergency, catastrophe or severe economic hardship which would cause or prevent the District from meeting or being able to meet any of its obligations under this MOU, the parties will commence the meet and confer process, and bargain in good faith regarding the impact of reasonable District-wide alternatives and/or layoffs, and/or possible wage adjustments in an attempt to mitigate or eliminate the reduction of staff in light of the condition or conditions of the emergency, catastrophe or severe

economic hardship.

ARTICLE 43: SAVINGS CLAUSE

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

ARTICLE 44: AFFORDABLE CARE ACT (ACA)

1. The parties recognize that during the term of this agreement, it may be necessary to make changes to Article 27, Health Care, specifically: coverage tiers, plan offerings, employer excise tax on "Cadillac Health Plans", as defined within the ACA, and changes required by law. When it becomes necessary to make a one-time change to Article 27 due to the Affordable Care Act, the parties agree to meet in good faith pursuant to Government Code 3500 et seq. Current health care benefits and coverages shall remain intact until such time the meet and confer is necessary, where the current health care benefits and coverages shall be maintained to the extent possible.
2. Any agreement resulting from such negotiations shall become as addendum to this agreement.
3. Any changes resulting from this section will only be implemented if such change is applied to all employees within the District.

ARTICLE 45: TERM OF AGREEMENT

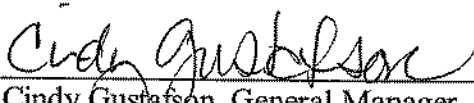
This MOU shall remain in full force and effect retroactive from 12:01 a.m., January 1, 2015, to and including 11:59 p.m., December 31, 2019

**INTERNATIONAL UNION OF
OPERATING ENGINEERS
STATIONARY LOCAL 39**


**TAHOE CITY PUBLIC UTILITY
DISTRICT**




Jerry Kalmar, Business Manager




Cindy Gustafson, General Manager



Tony DeMarco, President



Dan Wilkins, President



Steve Crouch, Director, Public Employees



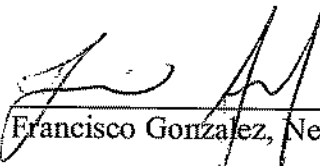
ATTEST: Terri Viehmann, District Clerk



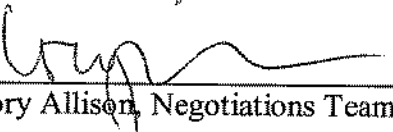
Gary Winegar, Business Representative



Pete Marra, Negotiations Team Member



Francisco Gonzalez, Negotiations Team Member



Cory Allison, Negotiations Team Member

Exhibit A

TAHOE CITY PUBLIC UTILITY DISTRICT										
CLASSIFIED AND SEASONAL SALARY RANGES - EFFECTIVE JANUARY 1, 2015										
POSITION	2014				2015 RANGE	2015				RANGE SPREAD
	HOURLY		MONTHLY			HOURLY		MONTHLY		
	MIN	MAX	MIN	MAX		MIN	MAX	MIN	MAX	
Senior Utilities Operations Specialist ~	\$33.36	\$43.36	\$5,781.88	\$7,516.08	138	\$36.23	\$47.10	\$6,280.44	\$8,164.57	30%
Senior Operations Technician - Electrician ~	\$33.36	\$43.36	\$5,781.88	\$7,516.08	138	\$36.23	\$47.10	\$6,280.44	\$8,164.57	30%
Operations Technician - Electrician ~	\$31.08	\$40.41	\$5,387.72	\$7,003.88	133	\$34.47	\$44.82	\$5,975.62	\$7,768.31	30%
Operations Technician - Mechanic ~	\$28.91	\$37.59	\$5,011.76	\$6,515.25	126	\$32.16	\$41.80	\$5,573.57	\$7,245.64	30%
Utilities Operations Specialist III ~	\$28.91	\$37.59	\$5,011.76	\$6,515.25	126	\$32.16	\$41.80	\$5,573.57	\$7,245.64	30%
Construction Inspector II ^	\$29.24	\$38.01	\$5,068.27	\$6,588.57	123	\$31.21	\$40.57	\$5,409.65	\$7,032.55	30%
Engineering Technician II ^	\$26.62	\$34.60	\$4,613.96	\$5,998.03	119	\$29.99	\$38.99	\$5,198.57	\$6,758.14	30%
Utilities Technician ~	\$25.97	\$33.76	\$4,501.29	\$5,851.91	114	\$28.54	\$37.10	\$4,946.26	\$6,430.14	30%
Utilities Operations Specialist II ~	\$25.97	\$33.76	\$4,501.29	\$5,851.91	114	\$28.54	\$37.10	\$4,946.26	\$6,430.14	30%
Construction Inspector I ^	\$26.62	\$34.60	\$4,613.96	\$5,998.03	111	\$27.70	\$36.01	\$4,800.79	\$6,241.03	30%
Administrative Technician *	\$24.41	\$31.74	\$4,231.41	\$5,501.08	104	\$25.83	\$33.58	\$4,477.79	\$5,821.12	30%
Utilities Operations Specialist I ~	\$22.53	\$29.28	\$3,904.51	\$5,075.72	102	\$25.32	\$32.92	\$4,389.56	\$5,706.42	30%
Recreation Supervisor ^	\$21.23	\$27.60	\$3,680.04	\$4,784.00	100	\$24.83	\$32.27	\$4,303.06	\$5,593.98	30%
Accounting Technician *	New				99	\$24.58	\$31.95	\$4,260.46	\$5,538.60	30%
Engineering Technician I ^	\$21.27	\$27.65	\$3,687.15	\$4,793.36	97	\$24.10	\$31.32	\$4,176.51	\$5,429.47	30%
Senior Parks Operations Specialist ~	\$25.63	\$33.32	\$4,442.19	\$5,774.77	96	\$23.86	\$31.01	\$4,135.16	\$5,375.71	30%
Accounting Assistant II *	\$24.58	\$31.96	\$4,261.23	\$5,539.56	93	\$23.16	\$30.10	\$4,013.55	\$5,217.61	30%
Recreation Coordinator ^	\$17.86	\$23.22	\$3,096.08	\$4,024.80	88	\$22.03	\$28.64	\$3,818.75	\$4,964.38	30%
Administrative Assistant II *	\$21.91	\$28.48	\$3,798.08	\$4,937.40	85	\$21.38	\$27.80	\$3,706.44	\$4,818.37	30%
Parks Operations Specialist Lead ~	\$22.86	\$29.72	\$3,963.09	\$5,151.99	85	\$21.38	\$27.80	\$3,706.44	\$4,818.37	30%
Accounting Assistant I *	\$18.29	\$23.78	\$3,170.27	\$4,121.52	81	\$20.55	\$26.71	\$3,561.82	\$4,630.36	30%
Administrative Assistant I *	New				73	\$18.98	\$24.67	\$3,289.28	\$4,276.06	30%
Parks Operations Specialist I ~	New				73	\$18.98	\$24.67	\$3,289.28	\$4,276.06	30%
Office Assistant *	\$17.89	\$23.25	\$3,100.59	\$4,030.69	59	\$16.51	\$21.46	\$2,861.55	\$3,720.02	30%
Utilities Seasonal (S)	\$20.07	\$37.59	\$3,479.32	\$6,515.25	82-129	\$20.15	\$41.81	\$3,492.66	\$7,247.76	108%
Recreation Specialist (S)	\$16.99	\$31.36	\$2,944.24	\$5,436.60	63-102	\$16.68	\$31.96	\$2,891.01	\$5,540.22	92%
Sailing Specialist (S)	\$9.00	\$22.00	\$1,560.00	\$3,813.33	44-65	\$13.81	\$22.12	\$2,393.01	\$3,833.86	60%
Parks Seasonal (S)	\$10.29	\$20.55	\$1,783.43	\$3,562.69	15-58	\$10.35	\$20.63	\$1,793.18	\$3,575.91	99%
Parks Cashier (S)	\$10.29	\$13.38	\$1,783.43	\$2,318.51	15	\$10.35	\$13.45	\$1,793.18	\$2,331.13	30%
Sailing Instructor II (S)	\$9.00	\$13.00	\$1,560.00	\$2,253.33	13	\$10.14	\$13.18	\$1,757.85	\$2,285.20	30%
Office Seasonal (S)	New				1-36	\$9.00	\$16.57	\$1,560.00	\$2,872.87	84%
Recreation Leader (S)	\$9.00	\$15.68	\$1,560.00	\$2,718.21	1-31	\$9.00	\$15.77	\$1,560.00	\$2,733.44	75%
Sailing Instructor I (S)	\$9.00	\$11.00	\$1,560.00	\$1,906.67	1	\$9.00	\$11.70	\$1,560.00	\$2,028.00	30%
2015 COLA:	3.000%									
Annual Uniform Allowance:	~ \$526.49 ^ \$394.86 * \$263.24									
Standby Pay Daily:	\$65/Weekday, \$75/Weekend Day or Holiday									
Longevity Pay > 15 yrs of service:	2.50%									
(S) = Seasonal Positions use unadjusted Base Range										
Last Updated 1-1-2015										

EXHIBIT B

TAHOE CITY PUBLIC UTILITY DISTRICT CAREER ADVANCEMENT POLICY

The Tahoe City Public Utility District is committed to the professional development of our employees. In an effort to attract and retain above average employees, the District endeavors to competitively compensate its employees and equitably offer career planning and promotional opportunities to employees. The District is committed to providing a supportive environment designed to encourage employees to pursue their professional goals and career objectives through training and advancement.

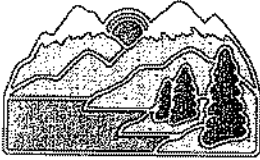
During the annual performance review process the employee's direct supervisor will provide the following information specific to the employee:

- Training needed to enhance employee's performance and prepare them for advancement.
- Review of all assignments to ensure access to personal and professional growth opportunities for employees.
- Negotiated career plans and goals and monitor to ensure movement toward the accomplishment of employees' professional goals.
- Personal characteristics that affect the workplace including: communication styles, consideration of others, interpersonal relationships, and cooperation.
- Specific performance expectations including but not limited to: tasks, goals, policies, operating procedures and standards.

Incumbents in the job classifications that have more than one level can expect to advance to the next higher level as they reach the time in grade, and training and skill level as outlined in the appropriate job description.

Tahoe City Public Utility District
Career Advancement Policy

EXHIBIT C



TAHOE CITY PUBLIC UTILITY DISTRICT
MEMORANDUM

TO: All Departments

DATE: March 1, 2012

FROM: Tony Laliotis, Utilities Superintendent

SUBJ: Snow Removal Policy

As many of you know, the District has elected to perform snow removal in house for the Administration Building, Upper and Lower yards and the Fairway Community Center.

A volunteer "rotation" among several Utilities Department employees has been established to cover the duties. Essentially, these employees are to perform snow removal similar to how previous contractors have performed the work at these facilities.

Priority 1 (Highest):

Monday morning through Friday morning:

At 3+ inches of snowfall, the employee scheduled to perform snow removal shall report to work between 0500 and 0530 and perform complete snow removal operations for the administration parking lot, upper yard, lower yard and fairway community center in that order. The first priority will be to open a path from the front of Building C past the front of Building B, through the main gate and clear five parking stalls to allow Parks employees to begin their snow removal operations by 0600. In an effort to reduce wear on the backhoe and parking lot only use the backhoe when necessary. It would be preferable to use the plow truck for small, light snowfalls. Continuous snowfall throughout the day shall be monitored by department supervisors and cleared as necessary by available personnel and equipment, as has been past practice. When snowfall quantity exceeds the capability of our equipment, Matt Daniels of Tahoe Marine Excavating has been set up to provide services with larger equipment. Matt can be contacted at (530) 277-6969 or (530) 583-0564.

Weekends and Holidays:

Snow removal operations shall commence upon natural snowfall of 3+ inches. Overnight snowfall shall be cleared starting at 0800. A schedule of events for the Admin board room and the FCC will be provided to the scheduled on-call person. Should events take place at times near 0800, snow removal shall commence at an appropriate time to ensure the facility parking areas are open and safe. The following order is suggested: One pass in front of Building B and C and fuel pumps, then out to Fairway, Fairway Community Center, then areas around, administration lot, Vector barns, and remaining upper and lower yard areas. In an effort to reduce wear on the backhoe and parking lot only use the backhoe when necessary.

It would be preferable to use the plow truck for small, light snowfalls. For storms of small to moderate size, 3-12 inches, snow removal shall be delayed until the end of the storm when practical. Storms anticipated of having significant duration or snowfall shall be monitored and cleared in 12-inch increments. In the event snowfall exceeds the capability of our equipment,

Tahoe Marine Excavating shall be called in 530 583-0564, or 530 277-6969.

Priority 2:

Sewer and Water facilities:

Highway 89 Sewer, Tahoe City Wells, Highlands Booster, Skylandia Circle, Dollar Observation Sewer, and Old Main Station.

These facilities are to be plowed during regular business hours unless authorized by supervisor and only after Priority 1 sites have been completed.

Priority 3:

Parks and Rec Facilities: 64 Acres and Boat Ramp.

These facilities are to be plowed only if requested by the Parks Superintendent or Director of Parks and Rec, and only after Priority 1 and 2 sites have been completed. Any deviation from this must be approved by a Utilities Supervisor.