

**MEMORANDUM OF  
UNDERSTANDING**

*Between*

**DELTA DIABLO SANITATION DISTRICT**  
2500 Pittsburg-Antioch Highway  
Antioch, CA 94509

*and the*

**MANAGEMENT ASSOCIATION**

April 6, 2008 – June 30, ~~2015~~ 2021

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Appendix A Skelly Notice

**SECTION I**                      **GENERAL TERMS AND CONDITIONS**

This Memorandum of Understanding (hereinafter referred to as "MOU"), is entered into by Delta Diablo Sanitation District (hereinafter referred to as the "District"), and the Management Association Bargaining Unit (hereinafter referred to as the "MA"). This MOU between the District and the MA is complete in itself and supersedes and replaces all previous obligations concerning the Sections covered, whether written, oral, expressed, or implied, between or concerning the employees of the District represented by the MA, and for the effective period described herein.

The parties, for the term of this MOU, voluntarily agree to waive the obligation to negotiate with respect to any practice, subject, or matter not specifically referred to or covered in this MOU, even though such practice, subject, or matter may have been within the knowledge of the parties at the time this MOU was negotiated and signed.

***SECTION I.1***                      ***TERM***

All Sections in this MOU shall become effective on April 6, 2008, unless another date is provided for and shall remain in effect until June 30, 2015. Either party (District or MBU) may request that this MOU be modified by providing ten (10) days prior written notice of such request to the other, during the said 60-day period preceding the said June 30, 2015 expiration date.

***SECTION I.2***                      ***MEET AND CONFER***

In the event that any new practice, subject, or matter arises during the term of this MOU, and an action is proposed by either party, the other party shall be notified and shall have the right to meet and confer upon request.

Amendments and Revisions may be made during the duration of the MOU, but only by mutual agreement of the parties thereto.

It is further understood that if the parties agree to meet and confer on issues which are subject to meet and confer, this will not affect the remainder of this MOU.

***SECTION I.3***                      ***SAVINGS CLAUSE***

If any provision of this MOU should be held invalid by operation of law or any court of competent jurisdiction, or if compliance with or enforcement of any provision should be restrained by any tribunal, the remainder of this MOU shall not be affected and shall remain in full force and effect. In the event of invalidation of any provision of this MOU, the parties shall enter into negotiation through the Meet and Confer process, within thirty (30) days, for the sole purpose of arriving at a mutually satisfactory replacement for such provision.

**SECTION I.4 RECOGNITION**

It is understood that for purposes of this MOU, the MABU consists of the following District employee classifications:

- |                                |                                       |
|--------------------------------|---------------------------------------|
| Community Outreach Coordinator | Plant Manager                         |
| Human Resources Analyst I      | Principal Engineer                    |
| Human Resources Analyst II     | Purchasing Manager                    |
| Human Resources Manager        | Office Manager/Secretary to the Board |
| Laboratory Manager             | Safety Officer                        |
| Maintenance Manager            |                                       |

All positions are exempt and new positions will be appended to this MOU.

**SECTION I.5 MANAGEMENT PREROGATIVES**

The MA recognizes that the District continues as the sole and exclusive manager of the District's facilities, having all the power, rights, functions, and authority formerly or usually held by management, except to the extent these are limited by a specific expressed provision of this MOU.

The District may make unilateral changes that do not conflict with the express terms of this MOU. The District agrees to submit such changes in writing to the MABU for comment five (5) days prior to implementation.

**SECTION I.6 UNIT REPRESENTATION**

The MA shall furnish the District with the names of all officers immediately after designation.

The MA may designate a member to serve as the Unit's Safety Representative of the District's facilities. Further, the MA and the District agree to cooperate in the implementation and enforcement of all safety rules and regulations per state and federal requirements.

The officers of the MA, in addition to their regularly assigned duties, shall be allowed to conduct MA business with the District and/or employees covered in all matters relating to this MOU, providing such activities do not interrupt nor interfere with the work of the officers, other employees, or the District.

MA general meetings shall be limited to no more than one (1) meeting per each three (3) month period in non-negotiating years and to no more than one (1) per month on District time during years when a new Memorandum of Understanding is being negotiated. All meeting times shall be approved by the General Manager or designee at least 72 hours before the starting time and shall not interrupt nor interfere with the work of the officers, other employees, or the District. General meetings are limited to a maximum of one hour of District time.

The MA officers shall limit their meeting time during non-negotiating years to four (4) meetings per year with the understanding that should an issue arise that requires officer level discussion, that with sufficient advance notice, the District shall make every effort to allow the scheduling of an MBU officer meeting. During MOU negotiating years, the officers shall be allowed to meet once per month, with advance scheduling approval and with a one (1) hour District time limit.

**SECTION I.7 NO STRIKE – NO LOCKOUT**

The purpose of this section is to insure that the Health and Safety of the public are not compromised due to a failure of District employee(s) to properly operate and maintain District facilities and equipment.

No employee shall take part in or call any strike, work slowdown, stoppage, or concerted interruption, or impeding of work. No officer or representative of the MBU shall authorize, approve, or sanction such activities. The MA shall not be liable for damages or violation by the employees of this Section if the MA does not authorize, approve, or sanction the activity constituting such violations; and if upon being notified by the employer of such activity, the MA promptly uses its best efforts to terminate the activity.

There will be no lockout by the employer during the life of this MOU.

**SECTION I.8 (NOT USED)**

**SECTION I.9 (NOT USED)**

**SECTION I.10 SALARY SURVEY**

The District will work with MA to develop a salary survey philosophy and procedure by December 31, 2009. The procedure and philosophy shall include a discussion of internal equity, compaction, and scheduling of future salary surveys.

**SECTION II EMPLOYMENT PRACTICES AND PROVISIONS**

**SECTION II.1 STATUS**

The MA has three (3) types of employment status: Probationary, Regular Full Time, and Regular Part Time.

**SECTION II.2 WORK PERIODS**

The District establishes working hours which are consistent with the operating requirements and responsibilities of the various divisions. Other work shifts,

alternative work schedules, flextime, days, hours and periods can be established and modified by the District within the limits prescribed by law, based on operating conditions and requirements of the District. If the job requires a change of clothing or uniform, employees must arrive early enough to change before work begins. Employees are required to be at their assigned work location at their designated starting time.

An employee's regular work schedule shall not be changed without seven (7) calendar days prior notice.

A workday in relation to holidays, floating holidays, bereavement, military, jury duty and other authorized leaves are defined as eight-hour periods, and shall be credited at an hour per hour basis for each day allowed.

### **SECTION II.3 APPOINTMENT OF RELATIVES**

Members of the employee's immediate family shall not be eligible for employment to District positions which would cause one immediate family member to report directly to another and/or which, in the District's judgment, will create problems of supervision, safety, security or conflict of interest. Immediate family members are defined as spouse, parent, sibling, child, stepchild, in-law, or grandparent. This provision shall apply to all types of employment status.

### **SECTION II.4 JOB DESCRIPTIONS**

Each District classification has a written job description which generally describes the essential characteristics of the classification. Any changes to the job descriptions shall be subject to meet and confer prior to their implementation.

### **SECTION II.5 PROBATIONARY PERIOD**

New employees shall serve a minimum probationary period of at least six (6) months but not more than twelve (12) months from the date of employment before obtaining regular status in that position. Employees promoted to a new position shall serve a minimum six (6) month probationary period before obtaining regular status in that position.

If an employee is discharged from employment during the employee's promotional probationary period, the employee may appeal such discharge to the extent permitted under this MOU.

### **SECTION II.6 ANNIVERSARY DATE**

An employee's anniversary date is the date of hire, and remains the same throughout the entire term of employment.

### **SECTION II.7 EVALUATION DATE**

Scheduled probationary evaluation date for a newly hired/promoted employee shall be six (6) months from the date of hire/promotion, (unless the probationary period is extended up to a twelve (12) month period. The newly hired/promoted employee is eligible for a merit increase after successfully completing their probationary period. This date then becomes the annual evaluation date.

If an employee is unsuccessful in the new position and demoted back to the employee's former position, the date of said action will become the new date for the annual review.

### **SECTION II.8 ANNUAL PERFORMANCE EVALUATION**

Performance evaluations will be completed annually, on or before the employee's scheduled review date, by the employee's direct supervisor, and reviewed with the employee, his/her direct supervisor, and the supervisor's direct supervisor. The performance appraisal will evaluate the employee's performance in the specific context of their job as well as their ability to work effectively within the work environment. A development plan shall be outlined identifying specific areas for continued growth in the employee's job skills.

### **SECTION II.9 DENIAL OF STEP INCREASE**

If an employee is denied a step increase at the scheduled annual review time, a detailed development plan will be created and agreed to by both the employee and the direct supervisor. The employee's performance will be monitored and the employee will be reviewed again at the end of six (6) months. If the step increase is again denied, the matter may then go through the appeal process, in the grievance procedure (SECTION VI.1).

### **SECTION II.10 TRAINING**

It is the goal of the District to carry out its responsibilities with the best possible balance of effectiveness and economy. This goal can best be accomplished by helping employees develop the skills, knowledge, and understanding to perform essential tasks. The development of these skills, knowledge, and understanding is the responsibility of each employee and shall be supported by the District through a flexible program of training and development.

### **SECTION II.11 RECRUITMENT AND SELECTION**

It is the goal of Delta Diablo Sanitation District to attract and retain competent personnel in all positions. Employment is gained through appointment for specified positions or an examination, which may be oral, written, and/or a practical examination, determined by the needs of the vacant position.

To enhance opportunities for career development among current employees, all vacant positions shall be posted on bulletin boards throughout the District for a minimum two (2) week period. Such posting may be done concurrently with outside recruitment efforts.

**SECTION II.12 SEPARATION BY LAYOFF**

**SECTION II.12.1 Grounds for Layoff**

Any employee(s) may be laid off when the position is no longer necessary, or for reasons of economy, or lack of work, or lack of funds, or if the position can be consolidated with another position, or for such reason(s) that the District and/or Board of Directors deems sufficient for abolishing the position(s).

**SECTION II.12.2 Layoff Procedure**

When a reduction in work force becomes necessary, layoff shall be accomplished by first determining the number of positions within each class which shall be reduced. If performance is equal, then the determining factor shall be seniority as defined in Seniority section below. An employee who is being laid off has the option of bumping to a previously held position.

**SECTION II.12.3 Recall Procedure**

Prior to hiring to fill a position the District will review the list of laid off employees and based on past performance, ability to perform the work and seniority, will offer the laid off employee the position. Laid off employees will be placed on a layoff list for a period of two (2) years.

**SECTION II.12.4 Seniority**

District seniority shall be defined as total District service with regular part-time service considered on a pro-rated basis.

**SECTION III COMPENSATION**

**SECTION III.1 SALARY**

**SECTION III.1.1 Merit Increases**

Employees shall receive a salary increase upon satisfactory completion of the probationary period and may receive a salary increase, depending upon performance, annually from the date they achieve regular full-time status until they reach the top step of the salary range. An increase may range from 0.0 - 7.5%, in increments of

2.5%. An employee performance evaluation shall be completed by the employee's immediate supervisor prior to receipt of merit increase.

In the event the performance evaluation is not completed prior to the scheduled review date due to no fault of the employee, and a merit increase is approved, the increase will be effective as of the scheduled review date.

**SECTION III.1.2 Cost of Living Adjustments**

The District will increase salaries the first pay period after July 1<sup>st</sup> each year from 2% up to 5.00% across the board, based on the April to April movement of the Consumer Price Index (CPI) for the prior year. The applicable CPI shall be the San Francisco/Bay Area, Wage Earners 1984=100. If the applicable CPI is lower than 2%, then the salary increase will be 2%. If the applicable CPI is greater than 5%, the salary increase will be 5%.

**SECTION III.1.3 (Not Used)**

**SECTION III.1.4 Work in Higher Classification**

In the event any classified employee is temporarily assigned to work and perform duties in a higher classification (out of class pay) or acting in the absence of a lead or supervisor (acting pay) for a period of eight (8) consecutive hours or more, the District shall pay the employee the greater of either 8% above their regular salary or the first step of the higher classification for all hours worked in the higher classification.

No cascading effect shall be allowed except in instances deemed necessary by the Department Director or designee. "Cascading effect" means multiple out of class upgrades over the same time period.

Assignments longer than three (3) consecutive days require the approval of the Department Director; assignments longer than two (2) consecutive weeks require the approval of the Deputy General Manager.

**SECTION III.1.5 Performance Pay**

The individual's Annual Salary shall be determined based upon the results of the last fiscal year's individual performance. Based upon those results, the employee's direct supervisor, with approval of the General Manager, shall establish a salary rate that shall be set between zero percent (0%) and seven and one-half percent (7.5%) of the established base salary for the classification. This salary shall apply from the first full pay period after July 1st through the last full pay period in June of the following year. At that time the employees shall again be reevaluated and the salary shall again be set, according to the above guidelines, based upon the just completed year's performance. A bargaining unit employee shall be eligible for this program only after he/she has completed their probationary period and reached the top of the salary range for the

classification. Once this criteria is met, they shall be eligible for this program. If eligibility for the program is reached at any time other than the start of the fiscal year, the employee shall be eligible for the program based upon their immediately preceding performance up to the eligibility date, not to exceed one year of performance. Thereafter they shall be eligible for the full program just as all other members of the unit.

## **SECTION IV      BENEFITS**

### ***SECTION IV.1*      *MEDICAL COVERAGE***

The District will contract with the California Public Employees Retirement System (CalPERS) to provide health benefits through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA). The District shall provide a group health care insurance program to all eligible employees of at least two (2) choices for coverage by Health Maintenance Organizations. The District shall pay one hundred percent (100%) of the premium cost of the Health Maintenance Organization for the employee; or employee and spouse; or employee, spouse and eligible dependents; whichever represents the employee's situation.

In the event Federal or State legislation, which provides health care coverage for employees covered by this MOU, is enacted into law during the term of this MOU, and such legislation has an adverse impact on either party, the Parties shall meet and confer regarding the impact of such legislation on the MOU.

#### ***SECTION IV.1.1*      *Co-payment Reimbursement***

For active employees and new hires who have accepted the District's written offer of employment as of the date of the District's change to the CalPERS group health care program, the District agrees to reimburse the employee for the difference in all co-payments between the Health Net and Kaiser health benefit plans contracted for directly by the District in fiscal year 2007/08 and the CalPERS health benefit plan. For the purpose of determining the co-pay reimbursements, employees electing CalPERS Kaiser will receive the difference between that plan and the District's fiscal year 2007/08 Kaiser plan; employee electing CalPERS Blue Shield will receive the difference between that plan and the District's fiscal year 2007/08 Health Net plan. Reimbursements shall be made monthly based on a schedule maintained by Human Resources.

For these employees subject to the above paragraph, the District further agrees to reimburse the employee for COBRA payments for eligible dependents from their 23rd birthday to their 25th birthday..

Employees hired or accepting an offer of employment after the date of the District's change to the CalPERS group health care program shall pay their plan's costs for co-

pays without any reimbursement by the District. These employees will also not be reimbursed any COBRA payments for dependents.

#### ***SECTION IV.1.2*      *Prescription Drug Reimbursement***

For active employees and new hires who have accepted the District's written offer of employment as of the date of the District's change to the CalPERS group health care program, the District agrees to reimburse the employee for the difference in all prescription drug costs between the Health Net and Kaiser health benefit plans contracted for directly by the District in fiscal year 2007/08 and the CalPERS health benefit plan. For the purpose of determining the prescription drug reimbursements, employees electing CalPERS Kaiser will receive the difference between the prescription drug costs associated with that plan and the costs associated with the District's fiscal year 2007/08 Kaiser plan; employee electing CalPERS Blue Shield will receive the difference between the prescription drug costs associated with that plan and the District's fiscal year 2007/08 Health Net plan. Such reimbursements will include the up to \$4 per prescription drug that was reimbursable during fiscal year 2007/08. Reimbursements shall be made monthly based on a schedule maintained by Human Resources.

Employees hired or accepting an offer of employment after the date of the District's change to the CalPERS group health care program shall pay their plan's costs for prescriptions without any reimbursement by the District.

#### ***SECTION IV.1.3*      *Medical In Lieu Payment***

An employee may elect in writing to forgo medical insurance coverage through the District and receive in cash via the payroll system a monthly "in lieu" payment. Said election means that no medical benefits will be paid for by the District for employees making such an election, including spouse and dependents. The monthly in lieu payment is initially established at \$300 and will increase by \$25 per month at the beginning of each subsequent fiscal year to a monthly maximum of \$400 for fiscal year 2011/12 and each fiscal year thereafter.

### ***SECTION IV.2*      *VISION COVERAGE***

The District shall provide each employee with a group vision care plan covering the employee, spouse and eligible dependents. Should an employee decline such coverage, there will be no in lieu payment by the District to the employee.

### ***SECTION IV.3*      *DENTAL COVERAGE***

The District shall provide each employee with dental care benefits covering the employee, spouse and eligible dependents. The plan will include a \$2,000 per year maximum amount for each calendar year.

**SECTION IV.4 LIFE INSURANCE**

The District shall provide fully paid life and accidental death and dismemberment insurance for each employee covered under this MOU. The District shall pay for the first \$125,000 of coverage.

**SECTION IV.5 LONG TERM DISABILITY INSURANCE**

The District shall provide fully paid Long Term Disability (LTD) insurance for each employee covered under this MOU. Benefits are based on the actual monthly salary earned.

**SECTION IV.6 SALARY CONTINUATION PROGRAM**

The District offers a short term (6-month maximum, or until eligible for LTD insurance coverage) Salary Continuation Program in the event of an employee's verified work related or non-work related injury or illness. This benefit, funded through the District's Workers' Compensation Insurance dividend program, is subject to the maximum established by the Board of Directors and availability of funds. The District will furnish the MBU with a quarterly revenue, expenditure and fund balance report.

**SECTION IV.7 RETIREMENT**

The District provides retirement for each regular full-time, part-time, and probationary employee in the California Public Employees Retirement System (CalPERS). The program offered shall be under the CalPERS Miscellaneous 2.7% at Age 55 formula. The plan will include the following Optional Benefits: 3% Cost of Living; and Credit For Unused Sick Leave. In addition to the District's regular retirement contribution, the District will pay one hundred percent (100%) of the employee's contribution.

**SECTION IV.8 RETIREE BENEFITS**

The District will contract with CalPERS to provide post-retirement health benefits through the CalPERS PEMHCA program, which provides for vesting at age 50 with five (5) years of service. It is the District's intent to implement the California State Vesting Program for Retiree Health Care as regulated by Government Code 22893. All District employees hired after the implementation date of the Vesting Program will be enrolled in the Vesting Program, which provides for a fifty percent (50%) medical benefit at age 50 with ten (10) years of service, increasing by five percent (5%) each year thereafter up to a maximum of one hundred percent (100%) with twenty (20) years of service. Such program would become effective on the date specified by resolution by the District's Board of Directors.

Employees hired prior to the Vesting Program implementation date will be offered the option to opt into the program as soon as allowed under CalPERS regulations. Thereafter, District employees hired prior to the program implementation date will be

offered the option annually to opt into the program as allowed per CalPERS regulations.

In lieu of medical insurance payments shall not be provided to retirees. Retirees relocated outside of the State of California shall have the option to receive medical coverage only through the CalPERS program. Payments shall not be made by the District to the retiree or their medical plan for medical coverage other than the coverages provided through CalPERS.

The retired employee must enroll in Medicare supplemental insurance program when they become eligible. Upon reaching Medicare eligibility, the District contributions will end immediately unless the retiree has enrolled in a Medicare supplemental insurance program.

Retired employees are responsible for their own dental, vision (if not covered by the health care plan), and life insurance coverage.

In the event Federal or State legislation, which provides health care coverage for employees covered by this MOU, is enacted into law during the term of this MOU and such legislation has an adverse impact on either party, the Parties shall meet and confer regarding the impact of such legislation on the MOU.

**SECTION IV.9 EDUCATION/TUITION REIMBURSEMENT**

The District will reimburse employees (with the exception of those on temporary status or on leave without pay) desiring to further their education for improving their on-the-job performance. Advance approval of immediate supervisor and Human Resources Manager (or his/her designee) will be given only for those courses within the scope of the employee's employment field and current or potential District job responsibilities. The maximum tuition reimbursement shall not exceed \$3,000 each fiscal year. It is required that the employee received a passing grade of "C" or better for all courses to qualify for the reimbursement. All reimbursements will cover actual tuition costs and textbooks, and will not include payment for travel, parking, or supplies. Attendance of courses and class work must be outside the employee's regularly scheduled work hours.

Upon termination of employment from the District for any reason other than retirement or disability, the employee must repay to the District all tuition reimbursement payments made to him/her during the preceding twelve (12) months.

**SECTION IV.10 CERTIFICATE RENEWAL**

The District shall reimburse employees for the cost of attaining mandatory and voluntary certification, including approved course reviews, application fees, and renewal certification costs providing the employee successfully passes the examination. Employees who receive certification reimbursement or awards are responsible for keeping that certificate current.

**SECTION IV.11 UNIFORMS**

The District furnishes work uniforms and laundering service for some MBU positions. Employees issued uniforms are required to wear them during working hours. At the end of each workday, employees may either change into street clothes or change into a clean uniform to wear off the District premises.

**SECTION IV.12 SAFETY SHOES**

Employees who are either required or advised to wear safety shoes will be reimbursed up to \$175 toward the cost of the first pair purchased for each fiscal year.

**SECTION IV.13 SAFETY GLASSES**

Standard safety eyeglasses are provided to employees (one (1) pair per fiscal year maximum). Employees will only be reimbursed for the cost of basic safety prescription lenses and basic frames. Employees shall follow established District procedure to obtain safety eyeglasses. The District will replace (up to District established maximums) safety glasses damaged or broken (not lost) in the course of District business only in the event the employee has not been negligent.

**SECTION IV.14 SERVICE CREDIT REINSTATEMENT**

When re-employed within one (1) year of separation, employee shall have reinstated all credits accumulated, but not paid for, at time of separation. Such reinstated credits shall not include credits for the period of separation.

**SECTION IV.15 EMPLOYEE ASSISTANCE PROGRAM**

The District shall provide an Employee Assistance Program for each employee covered under this MOU.

**SECTION IV.16 PAID HOLIDAYS**

Regular full-time employees receive eleven (11) paid holidays per year (each holiday is eight (8) hours):

- New Year’s Day
- President’s Day
- Martin Luther King Jr.’s Birthday
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran’s Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Day

Regular part-time employees scheduled to work, and working twenty (20) or more hours per week, accrue holiday pay on a pro-rated basis which is calculated based upon the percentage of full-time worked.

Employees whose regular work week is Monday through Friday, shall be given Friday off when the holiday falls on Saturday, or Monday off when the holiday falls on Sunday.

In addition to the holidays listed above, each employee receives three (3) floating holidays each year: one established floating holiday; one in lieu of Lincoln's Birthday and one in lieu of Admission's Day. Floating holidays must be used each fiscal year or they are forfeited. If required to work on an advanced approved holiday, an employee shall be able to reschedule the floating holiday.

A floating holiday request shall be submitted a minimum of three (3) working days prior to the date requested and shall have signature approval of the appropriate department supervisor/manager. Approval shall be based on seniority as follows: time in service; time in grade. Supervisor/manager may approve leave with less notice at their discretion.

**SECTION IV.17 VACATION**

Full-time regular employees earn paid vacation time from the first pay period and may use earned vacation time after completing six (6) months of service, unless otherwise approved by the General Manager. Regular part-time employees scheduled to work and working twenty (20) hours or more per week accrue vacation on a pro-rated basis. Vacation is accrued bi-weekly in accordance with the following schedule, or as authorized by the General Manager:

Years of Service	Annual Accrual (days)	Approximate Bi-weekly Accrual (hours)
0 through 3	10	3.077
Beginning 4th through 5th	15	4.615
Beginning 6th through 7th	16	4.923
Beginning 8th through 9th	17	5.231
Beginning 10th through 11th	18	5.538
Beginning 12th through 13th	19	5.846

Years of Service	Annual Accrual (days)	Approximate Bi-weekly Accrual (hours)
Beginning 14th through 15th	20	6.154
Beginning 16th	21	6.462
Beginning 17th	22	6.769
Beginning 18th	23	7.077
Beginning 19th	24	7.385
Beginning 20 <sup>th</sup> and beyond	25	7.692

The maximum fiscal year carryover is 400 hours. The hours earned in excess of the stated maximum carryover shall be paid off as of the last pay period in the fiscal year.

*SECTION IV.17.1 Annual Opportunity to Sell Vacation*

An employee, who has taken a combination of eighty (80) hours of vacation or floating holiday during the current fiscal year, is eligible to be paid for accrued vacation. Payment will be made on a regular pay date and will be calculated at the employee's regular rate (shift and other premiums will not apply).

*SECTION IV.17.2 Emergency Vacation Sale*

In the event of a personal emergency and the employee has not met the 80-hour minimum requirement above, an employee may request to sell accrued vacation during a fiscal year. Payment will be made on a regular pay date and will be calculated at the employee's regular rate (shift and other premiums will not apply). A request shall be made in writing to the employee's supervisor/manager, who shall make a recommendation on the request to the General Manager. Final authorization to allow or deny the payment shall be at the sole discretion of the General Manager.

*SECTION IV.17.3 (Not Used)*

*SECTION IV.17.4 Emergency Vacation Usage*

In the event of an emergency that prevents an employee from reporting to work, "emergency vacation" may be applied for. It will be at the discretion of the department supervisor/manager to determine the validity of using emergency vacation on a case-by-case basis. The normal notification procedures are to be followed for call in. Circumstances that are outside the control of the employee, which prevent the employee from reporting to work and are not medically related may qualify the individual for emergency vacation.

**SECTION IV.18 SICK LEAVE**

District employees are credited with 3.69 hours of sick leave per bi-weekly pay period for a total of ninety-six (96) hours per year. Part-time employees scheduled to work twenty (20) hours or more per week accrue sick leave on a pro-rated basis. There is

no limitation of the total that may be accrued, and upon retirement, unused sick leave is credited toward service time on an hour for hour basis, and is used to compute the total retirement benefit.

*SECTION IV.18.1 Sick Leave Buy Back*

The District has established an optional sick leave incentive program through which one time each fiscal year employees may request payment of their accrued unused sick leave hours exceeding forty (40) hours accrued during the previous program period to a maximum payback of forty (40) hours or may contribute the eligible hours to the Catastrophic Leave Bank (CLB). Program periods will be for fifty-two (52) weeks commencing with the pay period beginning closest to November 1 of each year, and ending with the pay period closest to October 31, with sick leave incentive payments made before the end of the calendar year. Employees not desiring participation in this program will continue to have all unused sick leave accrued for future use.

To be eligible, an employee shall be on active payroll status for the full twelve (12) months preceding the October 31 cut-off date. As this program is not pro-rated, an employee who terminates during the year is not eligible to participate in the program.

*SECTION IV.18.2 Modified Duty Assignment*

On a case-by-case basis, upon recommendation of an employee's immediate supervisor or higher level manager, the Human Resources Manager may authorize the modified employment of a rehabilitating injured employee who is temporarily restricted in ability to perform a full range of normal duties. Modified duty assignments may occur when a regular employee who has been injured on or off the job has been medically released for limited work based on specified restrictions. The District will require the disabled employee to provide the Human Resources Manager with the treating physician's statement of work restriction (s) or a status report specifying the employee's anticipated date of return to modified or full duty.

The Human Resources Manager will notify the employee in writing after receipt of the treating physician's statement of work restriction(s) as to whether a modified duty assignment can be accommodated. The General Manager or designee shall be the sole judge of what constitutes reasonable accommodation for modified duty based on a case by case evaluation of such factors as the nature of the employee's disability and work restriction(s), availability and priority of modified duty work, budgetary circumstances, length of disability, and the mutual welfare of the employee and District operations.

When an employee is assigned modified duty, the employee shall be compensated for hours worked at their regular rate of pay. If an employee is assigned to modified duty less than full-time, compensation for hours worked may be supplemented by either accrued sick leave, salary continuation, partial worker's compensation disability payments, or other available leave. Benefits will be pro-rated based on hours worked/paid. The District reserves the right to have employees examined by a

designated District physician at no cost to the employee prior to authorizing modified duty. There is no limitation on modified duty hours worked, unless specifically designated in the physician's release. Employees who are found to abuse, or fraudulently use these temporary disability provisions may be subject to disciplinary action up to and including termination of employment.

*SECTION IV.18.3 Immunizations*

The District shall pay for all District required immunizations of employees.

**SECTION IV.19 PAID AND UNPAID LEAVES**

*SECTION IV.19.1 Personal Leave of Absence*

A personal leave of absence for compelling reasons may be granted for up to four (4) months. The written request must be made in advance of the desired leave date and must contain the reason for the leave and the length of time being requested. The decision to grant or not grant a personal leave of absence by the General Manager shall be final and not subject to the grievance procedure.

Upon return to work from a personal leave of absence, the District will reinstate the employee in the same or a similar position. Failure to return to work on the next scheduled workday following the expiration of a leave of absence may result in termination.

An employee on a personal leave of absence may continue insurance coverage at their expense. If an employee elects to drop medical insurance during a leave, the employee may have to be accepted for reinstatement by the insurance carrier.

*SECTION IV.19.2 Jury Duty*

Jury duty or court witness obligations are civic responsibilities that the District supports. Any regular employee who is subpoenaed for District related activities to appear in court on matters to which he/she is not a party or is subpoenaed for jury duty during working hours shall receive a leave of absence with pay for such time, provided that the employee reports to work on any day(s) the employee is released from service at a time when it is feasible to report to work and that the employee reimburses the District in the amount of any witness fee received for such appearances or jury duty pay other than mileage allowance. An employee who desires to retain all fees received may elect to use vacation or compensatory time accruals in lieu of a leave of absence with pay.

The employee shall submit to his/her immediate supervisor a completed leave request form, with appropriate documentation that indicates the anticipated day(s) required for attendance. A copy of the leave request form must be attached to the employee's time sheet for payment.

*SECTION IV.19.3 Bereavement Leave*

In the event of an immediate family death, an employee may, after receiving approval, receive a leave of absence with pay not to exceed twenty-four (24) hours that shall not be charged against other leave credits. In the event of verified out-of-state travel, employees shall be granted up to forty (40) hours off work.

Immediate family includes the employee's spouse, and the employee's or spouse's child, sibling, parents, grandparents, grandchild, aunt or uncle.

Employees must secure verbal approval from the immediate supervisor prior to the requested leave and must submit a leave request form, for approval, either prior to the requested leave date(s), or within three (3) working days following the employee's return to work. A copy of the approved leave request must be attached to the employee's time sheet for payment.

With approval of the supervisor or higher level manager, vacation, administrative leave, compensatory leave, or time off without pay may be used to attend the funeral of other family members or close friends.

*SECTION IV.19.4 Military Leave*

Military Leave shall be granted in accordance with the provisions of State Law. All employees entitled to military leave shall give the District an opportunity within the limits of military regulations to determine when such leave shall be taken.

*SECTION IV.19.5 Administrative Leave*

At the beginning of each fiscal year, exempt positions are credited with forty (40) hours of Administrative Leave to recognize the fact that they do not receive either overtime or compensatory time off. The forty (40) hours may not be carried over from one fiscal year to another and are not eligible for a payoff provision if unused. An employee who separates from District services prior to the end of the fiscal year shall be paid only for that portion of administrative leave accrual earned. This benefit is considered a "use it, or lose it" benefit.

**SECTION IV.20 CATASTROPHIC LEAVE BANK**

The District agrees to establish a Catastrophic Leave Bank (CLB) to assist employees who have exhausted accrued leave time due to a serious catastrophic illness or injury to the employee or the employee's spouse or child. The CLB will allow other District employees to donate time to the affected employee so that he/she can remain in a paid status for a longer period of time, thus partially offsetting the financial impact of the illness, injury or condition. The program also allows the District Board of Directors to contribute hours to the CLB by employees terminating their employment with the District that would otherwise revert back to the District.

*SECTION IV.20.1 Eligibility*

To be eligible for this benefit, the receiving employee must: (1) Be a regular full-time employee who has passed his/her initial District probationary period, (2) Have sustained a life threatening or debilitating illness, injury or condition, to the employee or employee's spouse or child which may require confirmation by a physician, (3) Have exhausted all accumulated paid leave including vacation, holiday, sick leave, and/or compensatory time off, (4) Be injured such that he/she is unable to return to work for at least thirty (30) days, and (5) Have applied for a Leave of Absence Without Pay for medical reasons if it affects the employee.

*SECTION IV.20.2 Benefits*

Accrued vacation and compensatory time off hours donated by other employees, and hours donated by the District Board of Directors, will be converted to sick leave and credited to the receiving employee's sick leave time balance on an hour-for-hour basis and shall be paid at the rate of pay of the receiving employee. For as long as the receiving employee remains in a paid status, seniority, and all other benefits will continue, with the exception of sick leave and vacation accrual. The total leave credits received by an employee will not normally exceed three (3) months. However, if approved by the Department Head and the General Manager, the total leave credits may be extended on a case by case basis to a total of six (6) months.

*Guidelines for Donating Leave Credits to the Time Bank*

- a. Accrued vacation leave and compensatory time off may be donated by any regular full-time employee who has completed his/her initial District probationary period.
- b. Time donated will be converted from vacation and compensatory time to sick leave hours and credited to the receiving employee's sick leave balance on an hour-for-hour basis and shall be paid at the rate of pay of the receiving employee.
- c. Up to a maximum of forty (40) hours will be donated to the CLB by the Board from an employee who is resigning or terminating employment with Delta Diablo Sanitation District, and who has available leave time that will not be paid off or converted to other forms of compensation. The General Manager is hereby authorized to transfer up to forty (40) hours of leave time to the CLB from any employee who resigns and leaves time with the District. These hours shall be transferred on an hour-for-hour basis up to a maximum of forty (40) hours.
- d. The total amount of time donated to one employee by another employee shall not exceed forty (40) hours per year. The total leave credits received by the employee shall not normally exceed three (3) months; however, if approved by the Department Director, the General Manager may approve an extension to six (6) months total time.
- e. Initial leave time donations must be a minimum of eight (8) hours and thereafter, in four (4) hour increments. An employee cannot donate leave hours which would reduce his/her vacation balance to less than forty (40) hours.

- f. The use of donated leave hours will be in consecutive one (1) shift increments (i.e., eight (8) hours for a full-time employee working five (5) eight-hour days/week).
- g. While an employee is on leave using donated leave hours, no vacation or sick leave hours will accrue.
- h. Under all circumstances, time donations made by employees are forfeited once made. In the event that the receiving employee does not use all transferred leave for the catastrophic illness/injury, any balance will remain with that employee until that employee's separation from District service.
- i. Payment for unused sick leave at the time of termination of employment shall be in accordance with current procedures.
- j. In accordance with IRS Ruling 90-20, leave transferred under such arrangements will not be considered wages for the employee who surrenders the leave and will therefore not be included in gross income or subject to withholding. An employee who donates leave incurs no deductible expense or loss either upon the donation or use by the recipient.
- k. The donation process shall be accomplished on a confidential basis between the employee making the donation and the District.

*SECTION IV.21 FLEXIBLE SPENDING PLANS*

The District offers three plans that allow an employee to set aside pre-tax dollars in a special account to pay out-of-pocket expenses. Open enrollment occurs every December and employee may enroll in any or all of these programs. Additional information is available from the Human Resources Office.

*SECTION IV.21.1 Medical Premium Reimbursement Plan (MedPremium)*

To assist those employees who are contributing their own funds to meet medical/vision or dental insurance premium costs, this plan allows an employee to use pre-tax dollars to fund this expense.

*SECTION IV.21.2 Flexible Spending Account (MedPlus)*

To assist employees who incur eligible medical expenses for deductibles/co-payments, or for employees who incur eligible medical/dental/vision care expenses for procedures/costs not covered by the District's insurance plans, this program allows an employee to use pre-tax dollars to fund these expenses.

*SECTION IV.21.3 Dependent Care Spending Plan (DepCare)*

To assist employees who incur expenses for eligible child or elder care, this plan allows an employee to use pre-tax dollars to fund these expenses.

**SECTION IV.22            VEHICLE/CAR ALLOWANCE**

Based upon requirements of certain positions, a vehicle or car allowance may be provided to certain management positions. The determination of appropriate positions for this benefit is reviewed regularly and determined on a case-by-case and need-to-have basis by the General Manager.

**SECTION IV.23            BENEFIT SELECTION PROGRAM**

For employees hired or promoted to an eligible position, the District shall provide to each participant a benefit option amount beginning at a minimum of 2% of base salary, increasing by 1% per year to a maximum of 10%. If an employee is promoted from the P&T or O&M/Local One Bargaining Unit, the beginning percentage amount will, at minimum, coincide with their total District service years.

**SECTION V                    DISCIPLINARY PROCEDURE**

**SECTION V.1                DISCIPLINARY ACTION**

The District's disciplinary procedure is intended to advise the employee of less than satisfactory or substandard behavior or actions on the job, and is intended to be used by the employee to make whatever improvements that are required to bring the employee up to the job standards. The District will normally use progressive steps as follows: verbal warnings, written reprimand, suspension, demotion, and/or termination.

The degree to which disciplinary action will be carried out is governed by the severity of the infraction.

Grounds for discipline, up to and including termination, may include but are not limited to the following:

1. Actual or threatened violence, harassment, and/or abusive treatment of the public or fellow employees.
2. Possession, distribution, sale, use, or where performance of duties is impaired by alcoholic beverages or illegal drugs while on District property, while on duty, or while operating a vehicle on District business.
3. Theft or unauthorized removal or possession of property or equipment from the District, other employees, or anyone on District property.
4. Falsifying, making erroneous entries or material omissions on District records.
5. Disorderly and/or unsafe conduct or actions, including violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard.
6. Willful destruction, damage and/or misuse of property of the District, another employee, or a District visitor.
7. Possession or use of dangerous or unauthorized materials, such as explosives, firearms, or other similar items capable of causing great bodily

- harm or death while on District property, while on duty, or while operating a District vehicle.
8. Incompetence, inefficiency, negligence, failure to perform work as required, and/or unsatisfactory performance including quantity and/or quality of work product.
9. Violation of established District codes, policies, procedures, rules and regulations, and/or violation of any lawful or reasonable regulation or order made and given by an employee's supervisor.
10. Insubordination, including improper conduct toward a supervisor or refusal to perform tasks assigned by a supervisor in the appropriate manner.
11. Abandonment of position by unauthorized or unexcused absence for two (2) or more consecutive business days.
12. Excessive (and/or abusive) absenteeism and/or tardiness, including abuse of established sick leave policies, as well as other leave and/or attendance policies.
13. Smoking in prohibited areas.
14. Engaging in strikes, individual or group slowdowns or work stoppages, or for violating or ordering the violation of the Memorandum of Understanding

The employee has the right of representation by a designated MA representative during all phases of disciplinary procedures.

If a regular employee feels he has been unjustly suspended, demoted or discharged, he or she shall have the right to appeal his or her case through the grievance procedure (SECTION VI.1, Step 3). Such appeal must be filed with the General Manager by the Union in writing within seven (7) working days from the date of suspension, demotion or discharge and unless so filed the right of appeal is lost.

**SECTION V.2                DISMISSAL, SUSPENSION, OR DEMOTION**

During the employee's probationary period, a newly hired employee to the District may be dismissed without the right of appeal. During the probationary period of a District employee who has been promoted or moved to a lateral position, an employee may be demoted/returned to the previously held position without the right of appeal.

In the event the District intends to: (1) discharge an employee, (2) impose a suspension without pay, (3) demote an employee, or (4) reduce an employee's pay, the District shall, if the employee has completed the original probationary period with the District, utilize the following procedure:

1. The employee and the employee's MA representative shall be given notice in writing of the proposed disciplinary action not less than five (5) working days prior to the effective date of the action. The exception to such advance notification would be for immediate suspensions due to egregious actions such as violent or threatening behavior, in which case notification of the employee's union representative would be made as soon thereafter as practical. The notice shall set forth the reasons for the action and shall be accompanied by copies of written materials, if any, upon which the action is

- based. The notice must advise the employee of his or her right to respond to the charges either orally or in writing. The notice must advise the employee of his or her right to representation if he or she elects to respond.
2. Prior to the effective date of the disciplinary action, the employee may request and, if so, shall be granted an informal hearing to discuss the proposed disciplinary action. The informal hearing shall be conducted by the authority who may impose the discipline. The employee or his or her representative will be given the opportunity to respond to the proposed charges and make final comments regarding the proposed action. The employee may be represented by an officially recognized bargaining unit representative.
  3. The person who conducted the informal hearing will promptly prepare an action letter which should include the final findings of fact and the discipline imposed. The person conducting the informal hearing will, at the end of the informal hearing, advise the employee as to when the action letter will be issued. If the action letter is not to be issued within two (2) working days, the employee will be advised as to the reason why. The letter should include a statement that the employee may appeal the action consistent with the provisions of the MOU. An appeal to an action letter will be made according to Step 3 of the grievance procedure.

See Appendix A - Skelly Notice.

**SECTION V.3 PERSONNEL FILES**

An employee or his or her representative, on presentation of written authorization from the employee, shall have access to the employee's personnel file on request. The District shall furnish the employee copies of all performance evaluation reports and letters of reprimand or warning prior to placement of such documents into the employee's personnel file. The employee may be required to acknowledge the receipt of any document entered into his personnel file without prejudice to subsequent arguments concerning the contents of such documents.

An employee who disagrees with the contents of a letter of reprimand or warning which is placed in the employee's personnel file may submit a written response thereto and have such response placed in the employee's personnel file.

**SECTION VI GRIEVANCES**

**SECTION VI.1 GRIEVANCE PROCEDURE**

**Purpose** It is the intent of the parties to this MOU to diminish causes of grievances and to settle any which arise at the lowest practical level of supervision and as fairly and promptly as possible.

- |           |   |
|-----------|---|
| Grievance | A grievance shall be defined as any dispute arising between MA and the District during the term of the Memorandum of Understanding which involves the interpretation or application of any provision of this Memorandum of Understanding during its term, excluding all ordinances, resolutions, rules and regulations, the subject of which is not specifically covered by the provisions of this MOU.   |
| Hearing   | Hearings under this procedure shall be held between the hours of 9:00 a.m. and 3:00 p.m. Only parties to the grievance, their authorized representatives (limited to two), and the persons designated by the District's Human Resources Manager to conduct the hearing, may be present. No formal rules of evidence shall be applicable.  |
| Step 1.   | The aggrieved employee or MA representative shall orally present the grievance to their most immediate supervisor, who is not in the Representation Unit within fifteen (15) working days following the occurrence of the events on which the grievance is based. The supervisor shall give a written response within five (5) working days of the date of presentation of the grievance.   |
| Step 2.   | If such grievance is not settled in Step 1, it shall be reduced to a reasonably detailed writing, dated and signed by each aggrieved employee and presented to the employee's Department Director or the Deputy General Manager for employee's who report to directly to Department Directors within fifteen (15) working days after Step 1 supervisor's written response is given. The Department Director or Deputy General Manager shall meet with the grievant and grievant's representative within five (5) working days after receipt of the written grievance. The Department Director or Deputy General Manager shall give a written response to the grievant within five (5) working days following the meeting. |
| Step 3.   | In the event the MA and the District are unable to reach a mutually satisfactory accord on any grievance (as the term "grievance" is hereinabove defined) which arises and is presented during the term of this Memorandum of Understanding, such grievance shall be submitted within fifteen (15) days to an Adjustment Board comprised of three (3) employee representatives appointed by the MA and three (3) representatives of the District appointed by the District. The MA shall be an indispensable party to any grievance which is submitted to the Adjustment Board.   |

No Adjustment Board shall entertain, hear or decide any dispute involving a position over which a recognized employee organization has jurisdiction unless such dispute falls within the definition of a grievance as hereinabove set forth.

Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be grievable and no proposal to modify, amend or terminate this Memorandum of Understanding, may be referred for grievance under this Section; and no Adjustment Board shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

No changes in the Memorandum of Understanding of interpretations thereof will be recognized unless agreed to by the General Manager and the Union.

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

The Adjustment Board shall render a written decision. If an Adjustment Board is unable to arrive at a majority decision, either the Union or the District may request that the grievance be referred to the General Manager at Step 4.

Step 4. If the grievance is unresolved at Step 3 either party may, within fifteen (15) working days of receipt of the written decision, refer the matter, in writing, to the General Manager (Employee Relations Officer). The MA may make a verbal and/or written presentation to the General Manager. After investigating the matter with appropriate personnel and taking the matter into consideration, the General Manager/designee shall render a written decision within fifteen (15) working days after the final meeting regarding the matter.

Step 5. If the decision of the General Manager/designee does not resolve the grievance to the satisfaction of the grievant, the MA may file a request, in writing, to the Secretary of the Board, within fifteen (15) days of receipt of the General Manager's decision. The Secretary shall calendar the meeting in keeping with established guidelines for calendaring an agenda item.

The Board, or Board's designated hearing representative, shall have access to all written statements and documents relevant to the grievance. Each party shall be entitled to call witnesses and District employees will be made available in the event their testimony is required. The Board, or Board's designee, shall render a decision no later than the next regular Board meeting after the conclusion of the testimony. Such decision shall be put in writing by the Board's secretary and shall be final and binding on both parties.

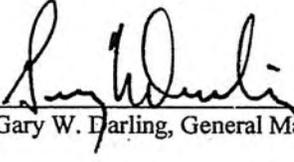
1. The Human Resources Office shall act as a central repository for all grievance records. The MA Secretary will act as a central repository for all grievance records for the MA.
2. Time limits may be extended by mutual agreement in writing or by the General Manager where a written request for such extension is submitted prior to the expiration of the applicable time period.
3. A grievant may be represented by another employee from Step 1 of the grievance procedure. No grievant shall, at any stage of the grievance procedure, be required to meet regarding the grievance with any supervisor or manager regarding the grievance without benefit of representation. However in order for the spirit of this grievance policy to work informally and effectively, attorneys may not be involved prior to Step 3 of the grievance procedure. The MA shall notify the District if legal representation shall be present at Step 3 and thereafter.
4. The grievant and his/her representative (when District employee) shall be considered on paid status during meetings with District representatives regarding the grievance matter that take place during the grievant's regularly scheduled work hours.
5. In certain grievances, the first and/or second steps may be deleted if the grievance arises out an action by an authority above the level of the grievant's supervisor. However, such grievances will begin at a level no higher than Step 3 of this grievance procedure.
6. Failure at any step of this procedure to communicate the decision on a grievance within the specified time limits shall permit the lodging of an appeal at the next step of the procedure within the time allotted, had the decisions been given. Failure to appeal a decision within the specified time limits shall be deemed a withdrawal of the grievance. Failure at Steps 1 and 2 by the District to give a written response on a grievance within the specified time limits shall be deemed as if a favorable decision had been given to the grievance.
7. All grievances involving or concerning payment of compensation shall be filed in writing and no adjustments shall be retroactive for more than sixty (60) days from the date of filing.

SECTION VII      APPROVALS

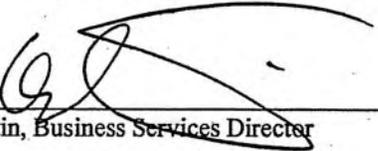
SIGNATURES OF APPROVAL – Delta Diablo Sanitation District

Date: April 3, 2008

  
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Nancy Parent, Chair, Board of Directors

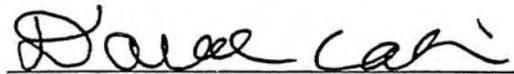
  
\_\_\_\_\_  
Gary W. Darling, General Manager

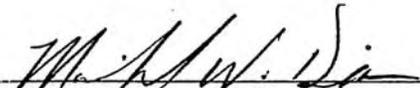
  
\_\_\_\_\_  
Kerry Yoshitomi, Deputy General Manager

  
\_\_\_\_\_  
Karen S. Ustin, Business Services Director

SIGNATURES OF APPROVAL – Management Bargaining Unit

Date: April 3, 2008

  
\_\_\_\_\_  
Darrell Cain, Representative, Management Bargaining Unit

  
\_\_\_\_\_  
Mike Dixon, Representative, Management Bargaining Unit

  
\_\_\_\_\_  
Steve Dominguez, Representative, Management Bargaining Unit

DELTA DIABLO SANITATION DISTRICT  
NOTICE OF PROPOSED ACTION  
(SKELLY NOTICE)

To: NAME \_\_\_\_\_  
CLASSIFICATION \_\_\_\_\_  
DEPARTMENT \_\_\_\_\_

This notice is to inform you of the District's intent to take the following action:

(1) \_\_\_\_\_  
\_\_\_\_\_

(2) The following constitutes the charges or grounds for this action:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- (3) All written materials, reports and documents upon which this action is based are available for your review.
- (4) You have the right to respond to this notice either orally or in writing (or both) to the undersigned, within seven (7) calendar days of the issuance of this notice. Any response you make will be considered prior to taking final action.
- (5) In view of the seriousness of the charges you are suspended with pay pending your response to this notice and a final determination as to the action to be taken.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Manager/Supervisor

\_\_\_\_\_  
Human Resources Manager

---

Employee Relations Officer

I acknowledge receipt of this document:

---

---

Date

cc:           Employee  
              District Employee Relations Officer  
              Department Manager  
              Personnel file

## **SIDE LETTER AGREEMENT**

Effective July 1, 2010, the Memorandum of Understanding (MOU) between the Delta Diablo Sanitation District and the Management Association shall be amended by the following provisions:

### **Section IV.7.1 – Retiree Health Funding Plan:**

This section is added to provide for employee contributions to the District's other-post employment benefits trust fund:

Employees' salary from the District will be deducted and contributed to the District's OPEB trust fund, in the amount, and at the time and manner, described under the Delta Diablo Sanitation District Retiree Health Funding Plan. Contribution of the deductions to the OPEB trust fund are, however, conditioned on the District's receipt of a CalPERS determination that the contributions would constitute "compensation earnable" for purposes of determining the employees' pension benefits under CalPERS. Unless and until the District receives that CalPERS determination: (1) the deductions from employees' salary will continue in the same amount, but will instead be contributed to the CalPERS retirement trust fund as pre-tax member contributions, (2) such member contributions will offset (and therefore reduce) the amounts contributed to the CalPERS retirement trust fund by the District as employer-paid member contributions under Section IV.7 of this MOU, and (3) the District will contribute to the OPEB trust fund, from the District's general assets, an amount equal to the amounts deducted from employees' salary for contribution to the CalPERS retirement trust fund. Upon the District's receipt of the aforementioned CalPERS determination, the preceding sentence will cease to apply, and the employees' salary deductions on or after that date will be contributed to the OPEB trust fund.

### **Section I.1 – Term:**

This section is amended to extend the current MOU by three years, making the next expiration date June 30, 2018.

**Section I.4 – Recognition:**

This section is amended to change the employee classification of Community Outreach Coordinator to Public Information Manager.

**Section IV.17.1 – Annual Opportunity to Sell Vacation:**

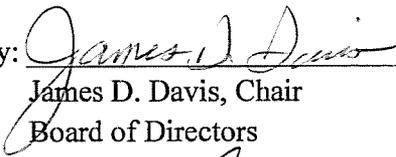
This section is replaced with the following language:

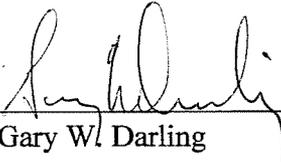
An employee, who has taken a combination of eighty (80) hour of vacation, administrative leave and/or floating holiday during the current fiscal year, is eligible to be paid for accrued vacation. Payment will be made on a regular pay date and will be calculated at the employee's regular rate.

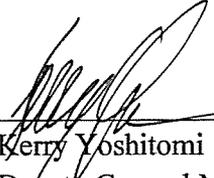
**Signatures of Approval:**

**DELTA DIABLO SANITATION DISTRICT**

Date: July 14, 2010

By:   
James D. Davis, Chair  
Board of Directors

By:   
Gary W. Darling  
General Manager

By:   
Kerry Yoshitomi  
Deputy General Manager

By:   
Karen S. Ustin  
Business Services Director

MANAGEMENT ASSOCIATION

Date: July 14, 2010

By: Darrell C. Cain  
Darrell C. Cain  
Representative

By: Steven M. Dominguez  
Steven M. Dominguez  
Representative

By: Michael W. Dixon  
Michael W. Dixon  
Representative

## **SIDE LETTER AGREEMENT**

Effective November 9, 2011, the Memorandum of Understanding (MOU) between the Delta Diablo Sanitation District and the Management Association shall be amended by the following provisions:

### ***SECTION 1.4 RECOGNITION***

This section is amended to add the employee classification of Program Manager

### ***SECTION III.1.5 PERFORMANCE PAY***

This section is replaced with the following language:

The Performance Pay program shall be eliminated effective November 27, 2011, when an amount of seven and one-half percent (7.5%) shall be incorporated into each Management Association classification's salary range. This is a one-time adjustment. Any future classifications added to the Management Association shall have salary ranges established based on a total compensation approach based on internal consistency and/or external comparables.

### ***SECTION IV.23 DISTRICT PAID DEFERRED COMPENSATION***

This section is re-titled from "Benefit Selection Program," and replaced with the following language:

The District shall make contributions to its 457(b) plan, an eligible deferred compensation plan, or its 401(a) plan, a qualified plan, for every employee in an eligible position. The District's contribution for each employee will be equal to a percentage of the employee's base salary beginning at a minimum of 2%. The applicable percentage will be increased annually by 1% on each successive anniversary date of hire until reaching a maximum amount of 9%.

If an employee is promoted to an eligible position from the P&T/Local One Bargaining Unit or the O&M/Local One Bargaining Unit, the beginning percentage amount will, at minimum, coincide with their total years of District employment, not exceeding 9%.

Employees who, as of November 27, 2011, have reached the previous maximum District contribution of 10% will continue to receive that percentage on and after that date. Regardless of the above described contribution schedule, employees who, as of November 27, 2011, had not yet reached the previous 10% maximum will receive District contributions at their percentage rate in effect on that date through their next scheduled District paid deferred compensation increase date and for one year thereafter, at which time the District contribution will be increased by 1%. Regular 1% increases will be made each annual anniversary date thereafter until the employee reaches the 9% maximum.

#### ***SECTION IV.7 – RETIREMENT***

This section is replaced with the following language:

The District provides retirement benefits for each regular full, part time, and probationary employee in the California Public Employees Retirement System (CalPERS).

##### Tier I - Employees hired on or before June 30, 2012

The benefits offered shall be under the CalPERS Miscellaneous 2.7% at Age 55 formula. The plan will include all benefits contracted for with CalPERS effective June 20, 2004 and any subsequent changes prior to the effective date of this MOU Side Letter. In addition to the District's regular retirement contribution, the District will pay one hundred percent (100%) of the CalPERS defined Employee's Contribution (CDEC) of 8% until the first full payroll period in fiscal year 2013/14, at which time each Tier I employee will begin paying through regular payroll deductions 1% of the employee's PERSable compensation, or 1/8<sup>th</sup> of the CDEC. The employee will pay an additional 1% of PERSable compensation beginning with the first full payroll period of each fiscal year thereafter, until the employee is paying the full 8% CDEC beginning in fiscal year 2020/21.

Beginning with the first full payroll period of the 2014/2015 fiscal year, the District will provide matching contributions on each employee's voluntary salary deferrals. For this purpose, "voluntary salary deferrals" means all amounts deducted from the employee's salary at his or her election and contributed to the employee's account under one or both of the District's defined-contribution retirement plans, the 457(b) plan and 401(a) plan. For each payroll period, matching contributions will be deposited in the employee's 457 (b) or 401(a) account as soon as administratively practicable after the corresponding voluntary

salary deferral for that payroll period is deducted from the employee's salary. In addition, each employee may elect, at the time and in the manner determined by the District, to allocate his or her matching contributions to either the 401(a) plan or the 457(b) plan, or a combination of both, regardless of which plan the corresponding voluntary salary deferrals are contributed to. For each fiscal year, the District's matching contribution will equal 100% of each employee's voluntary salary deferrals for the fiscal year, up to the lesser of (1) the maximum amount permitted by applicable law, or (2) a percentage, set out under the following table, of the employee's PERSable compensation for the fiscal year:

<i>Fiscal Year</i>	<i>Percentage Limit on District Match</i>
2014/15	1% of PERSable compensation
2015/16	1% of PERSable compensation
2016/17	2% of PERSable compensation
2017/18	2% of PERSable compensation
2018/19	3% of PERSable compensation
2019/20	3% of PERSable compensation
2020/21 and thereafter	4% of PERSable compensation

Each percentage limit above applies to matching contributions made for the period beginning with the first full payroll period of the relevant fiscal year, through and including the last payroll period which begins in that fiscal year (whether ending in that or the next fiscal year).

Tier II – Employees hired on or after July 1, 2012

The benefits offered shall be under the CalPERS Miscellaneous 2.0% at Age 55 formula. With the exception of the different formula, the plan will include the same retirement benefits as Tier I. Employees hired under the Tier II retirement program shall pay the full 7% CDEC through regular payroll deductions. The District will provide matching contributions under the same terms and conditions as Tier I employees, except that (1) the percentage limit on matching contributions for all fiscal years will be 3.5% of PERSable compensation, and (2) all matching contributions will be made to the 401(a) plan.

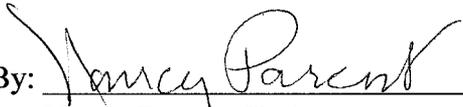
**SECTION 1.1 – TERM**

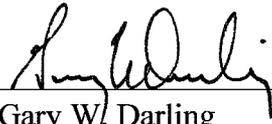
This section is amended to extend the current MOU by three years to June 30, 2021.

**Signatures of Approval:**

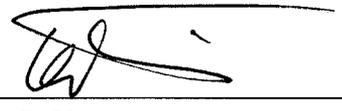
DELTA DIABLO SANITATION DISTRICT

Date: November 14, 2011

By:   
Nancy Parent, Chair  
Board of Directors

By:   
Gary W. Darling  
General Manager

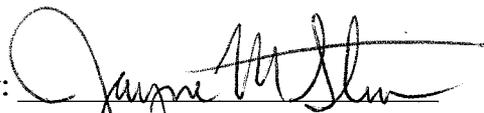
By:   
Kerry Yoshitomi  
Deputy General Manager

By:   
Karen S. Ustin  
Business Services Director

MANAGEMENT ASSOCIATION

Date: November 14, 2011

By:   
Kathryn M. Martin  
Representative

By:   
Jayne M. Strommer  
Representative

## **SIDE LETTER AGREEMENT**

Effective December 9, 2012, the Memorandum of Understanding between the Delta Diablo Sanitation District and the Management Association shall be amended by the following provisions:

### ***SECTION I.4                      RECOGNITION***

This section is amended to add the employee classifications of Finance Manager and Information Technology Manager and to delete the employee classifications of Human Resources Manager and Office Manager/Secretary to the Board.

### ***SECTION IV.23                      DISTRICT PAID DEFERRED COMPENSATION***

Effective December 9, 2012, the District Paid Deferred Compensation program will be eliminated, and the District will not owe any contributions under that program for employment on or after that date. In addition, effective December 9, 2012, an amount equal to 7.139% will be incorporated into each Management Association classification's salary range, with the exception of the classifications added in the amended Recognition section of this Side Letter Agreement. The added classifications have salary ranges established based on a total compensation approach based on internal consistency and external comparables. For the previously existing Management Association classifications, this is a one-time adjustment. For each classification subject to a revised salary range due to elimination of the District Paid Deferred Compensation program, the salary step in the new salary range shall be determined by the employee's prior salary plus his or her prior District paid deferred compensation, both as in effect as of the close of business on December 8, 2012, and shall not be placed at a step that results in a lesser amount than that sum. Employees whose salaries move back into salary range progression (i.e., steps lower than step "J") shall be eligible for a one-step increase at the same time that they otherwise would have been eligible for their next increase in deferred compensation, with subsequent one-step increases at one year intervals thereafter.

### ***SECTION IV.7                      RETIREMENT***

In order to conform with the applicable requirements of the California Public Employees' Pension Reform Act of 2013 (AB 340), Section IV.7 is amended by deleting the current subsection entitled "Tier II – Employees hired on or after July 1, 2012" in its entirety, and inserting the following new provisions to the end of Section IV.7:

Tier II – Employees hired from July 1, 2012 through December 31, 2012; and, employees hired on or after January 1, 2013 who are not “new members” of a public retirement system as defined by AB 340

The benefits offered shall be under the CalPERS Miscellaneous 2.0% at Age 55 formula. With the exception of the different formula, the plan will include the same retirement benefits as Tier I. Employees hired under the Tier II retirement program shall pay the full 7% CalPERS Determined Employee Contribution (CDEC) through regular payroll deductions. The District will provide matching contributions under the same terms and conditions as Tier I employees, except that (1) the percentage limit on matching contributions for all fiscal years will be 3.5% of PERSable compensation, and (2) all matching contributions will be made to the 401(a) plan.

Tier III – Employees hired on or after January 1, 2013 who are “new members” of a public retirement system as defined by AB 340

The benefits offered shall be under the newly established CalPERS Miscellaneous 2.0% at 62 formula (or as also known the 2.5% at 67 formula) under AB 340, and the benefits will be determined in accordance with all of the applicable requirements of AB 340. To the extent permitted by AB 340, the plan will otherwise include the same retirement benefits as Tier II. To fund their CalPERS benefits, employees under the Tier III retirement program shall pay the full CDEC through regular payroll deductions. The District will provide matching contributions to Tier III employees' accounts under the 401(a) plan for employee contributions into their deferred compensation plans (457(b) and/or 401(a)), up to one-half of the employees' required CDEC deduction.

Benefits under this Tier III plan will apply to employees hired on or after January 1, 2013 who are new members, and to any employee hired before 2013 who becomes a new member on or after January 1, 2013. For these purposes, new member is defined under AB 340.

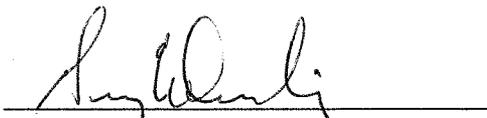
If AB 340 is partly or wholly overturned or modified by subsequent legislative or judicial actions, employees covered by this Tier III plan will be provided with benefits under the District's Tier II plan to the greatest extent permitted by law.

**Signatures of Approval:**

DELTA DIABLO SANITATION DISTRICT

Date: November 14, 2012

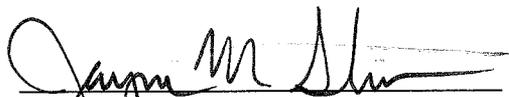
By:   
Federal D. Glover, Chair  
Board of Directors

By:   
Gary W. Darling  
General Manager

By:   
Karen S. Ustin  
Business Services Director

MANAGEMENT ASSOCIATION

Date: November 14, 2012

By:   
Jayne M. Strommer  
Representative

## SIDE LETTER AGREEMENT

Effective March 9, 2016, the Memorandum of Understanding between Delta Diablo and the Management Association shall be amended by the following provisions:

### ***SECTION 1.4      RECOGNITION***

This section is replaced with the following language:

It is understood that for the purposes of this MOU, the Management Association consists of the following District employee classifications:

Environmental Programs Manager	Operations Manager
Finance Manager	Principal Engineer
Government Affairs Manager	Public Information Manager
Human Resources Analyst I	Purchasing Manager
Human Resources Analyst II	Safety Officer
Information Technology Manager	Senior Accountant
Laboratory Manager	Senior Engineer
Maintenance Manager	

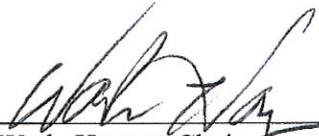
All positions are exempt, and new positions will be appended to this MOU.



**Signatures of Approval:**

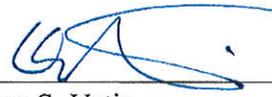
DELTA DIABLO

Date: March 9, 2016

By:   
Wade Harper, Chair  
Board of Directors

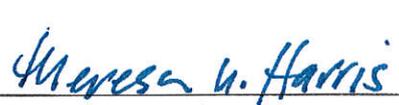
By:   
Gary W. Darling  
General Manager

By:   
Michael Bakaldin  
Deputy General Manager

By:   
Karen S. Ustin  
Business Services Director

MANAGEMENT ASSOCIATION

Date: March 9, 2016

By:   
Theresa U. Harris  
Representative

By:   
Stephen L. Laren  
Representative

