

**RESOLUTION OF
TERMS AND CONDITIONS OF EMPLOYMENT
FOR
MANAGEMENT AND CONFIDENTIAL EMPLOYEES**

December 1, 2004 - November 30, 2008

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ITEM 1 - Preamble

1.1 Purpose

This Resolution approving terms and conditions of employment for Management and Confidential employees has as its purpose the promotion of harmonious relations, cooperation and understanding between the District and Management and Confidential Employees, the establishment of an equitable and peaceful procedure for resolution of differences; and agreement as to rates of pay, hours of work and other terms and conditions of employment.

1.2 Cooperation

The District and Management and Confidential employees will cooperate in promoting harmony and efficiency within the District.

1.3 Maintenance of Service

The District is engaged in providing public services requiring continuous operations that are necessary to maintain the public health and safety of the District's customers. The obligation to maintain these public services is imposed upon the District and the Management and Confidential Employees. Inherent in the relationships among the District and the Management and Confidential Employees is the obligation of the District to deal justly and fairly with its employees and the obligation of the Management and Confidential Employees to cooperate with the District in the performance of the District's public services obligations.

1.4 Separability

In the event any section or portion of this Resolution is declared invalid by a court of competent jurisdiction or is in contravention of any federal or state law or regulation, the remaining provisions of this Resolution shall not be invalidated and shall remain in full force and effect.

1.5 Preexisting Directives

This Resolution shall not be construed as abrogating or impairing any preexisting directive issued by the District's Board of Directors or its General Manager.

ITEM 2 - Nondiscrimination

It is the policy of the District and the Management and Confidential Employees not to discriminate against any employee because of race, creed, handicap, sex, color, age, national origin, medical condition, physical or mental disability, veteran status, or marital status. The District and the Management and Confidential Employees agree to work cooperatively and affirmatively to carry out the intent of this policy.

ITEM 3 - Management Rights

Subject to State law relating to requirements to meet and confer in good faith and the provisions of the Modesto Irrigation District Employer/Employee Relations Resolution, the management of the District and its business and the direction of the employees are vested exclusively in the District through its Board of Directors and management. This includes, but is not limited to the following:

To determine the mission or areas of responsibility or activity of its constituent departments; to fix and determine standards of service; to determine the procedures and standards of selection for employment and promotion; to direct and supervise the work of its employees; to suspend, promote, demote, transfer, discipline, and discharge employees for cause; to require employees to work overtime; to determine the method and means to relieve its employees from duty because of lack of work or other lawful reasons; to maintain the efficiency of the District's operations, to determine the methods, means and personnel by which the District's operations and functions are to be conducted and discharged; to determine style and/or types of District-issued wearing apparel, equipment or technology to be used; to establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith; to determine and/or change the facilities, methods, technology, means, organizational structure, size and composition of the work force and allocate and assign work by which the District operations are to be conducted, including the right to contract; to determine the content of job classifications; to establish and change work schedules and assignments upon reasonable notice; to take all necessary actions to carry out its functions in emergencies; to determine processes and materials to be used in carrying out all District functions; to exercise complete control and discretion over its organization and the manner or technology of performing its missions or functions as an Irrigation District providing water and power. However, these management rights may be exercised by the District only to the extent not in conflict with the provisions of applicable law, or this Resolution.

ITEM – 4 Management and Confidential Employees Rights

4.1 Management and Confidential Employee Committee

An employee who is in the Management and Confidential Employees group will be granted permission by his/her supervisor to attend discussions regarding changes to this resolution or discussions regarding a successor resolution providing the supervisor has received notification from the AGM, Human Resources and providing the total number of employees on the management and confidential employee committee does not exceed six (6).

ITEM 5 – Seniority

5.1 Definition

For purposes of this Resolution, seniority is defined as a regular employee's continuous length of service with the District since the most recent date of hire or rehire. An employee shall not attain seniority during a probationary period, but shall, upon completion of a probationary period, be granted seniority from the date of hire or rehire as a probationary employee.

5.2 At Will Employment

Certain job classifications in the Management and Confidential Employees group are designated “at will” classifications and serve at the pleasure of the Board of Directors. Employees in these classifications accept their positions on an “at will” basis. The provisions of Board Resolution 93-155 shall apply.

5.3 Probationary Period

New regular employees will be hired on a trial basis and will be assigned to probationary status for a period of six (6) months. During the probationary period an employee, who is terminated by the District, shall not have recourse to the grievance procedure.

5.4 Job Categories

District jobs are categorized, at the exclusive discretion of the District, as to whether work is expected to be full-time and regular, part-time and regular, full-time and temporary, or part-time and temporary. Category definitions are as follows:

a. Full-time Regular

1. A job (or position) which has full-time regular status is expected to be in existence for an indefinite period and generally requires a minimum of forty (40) hours weekly to perform.

2. An employee assigned to a full-time regular job becomes eligible, after the respective eligibility periods, for all of the District's benefit programs.
- b. Part-time Regular
1. A job (or position) which has part-time regular status is expected to be in existence for an indefinite period and generally requires at least twenty (20), but less than forty (40) hours each week.
 2. An employee assigned to work a part-time regular job, except those individuals who are employed in a work experience or student intern classification, will be eligible for the same benefits offered for full-time work subject to specific eligibility requirements spelled out in each benefit plan. If a part-time regular employee elects coverage in the health, dental, vision, LTD, chiropractic, and/or life plans the employee will be responsible for paying $\frac{1}{2}$ any monthly premium cost for the coverage they have elected through payroll deduction. If a part-time regular employee does not want health and welfare benefit coverage as described above, he/she may elect to waive the coverage. Those benefits pertaining to paid absences will be earned and accrued on a pro-rate basis.
- c. Full-time Temporary
1. A job (or position), which has full-time temporary status, is one which has been established to meet a temporary increase in workload requirements or other service of a temporary nature. The work is expected to last for a specific period, but not more than one (1) year.
 2. A job (or position) which has full-time temporary status generally requires a minimum of forty (40) hours weekly to perform.
 3. An employee who is assigned to a full-time temporary status is not eligible for regular employee benefits.
 4. Although it is expected that holiday work will be held to a minimum, if an employee who is assigned to a full-time temporary job works on a designated holiday, he/she will receive no holiday pay but will be paid the applicable overtime rate for work actually performed. The employee will receive no pay for holidays not worked.
 5. When an employee, who has been assigned to work involving full-time temporary status, is reassigned to work involving regular status, his/her seniority date shall be the date on which the employee commences the regular assignment.

d. Part-time Temporary

1. A job (or position) which has part-time temporary status is one which is expected to last for a specific period, but not more than one year and requires twenty (20) hours but less than forty (40) hours weekly to perform.
2. An employee who is assigned to a part-time temporary job is not eligible for regular employee benefits.
3. Although it is expected that holiday work will be held to a minimum, if an employee who is assigned to a part-time temporary job works on a designated holiday, he/she will receive no holiday pay, but will be paid the applicable overtime rate for work actually performed. The employee will receive no pay for holidays not worked.
4. When an employee who has been assigned to work involving part-time temporary status is reassigned to work involving regular status, his/her seniority date shall be the date on which the employee commences the regular assignment.

5.5 Reduction in Force

When it becomes necessary to reduce the work force, senior employees will be retained provided they have the necessary skills and ability to perform the required work efficiently and without training. In the event that a reduction of positions occurs (without a reduction in force) in a defined department within a division, seniority may be exercised by an individual for job assignment purposes with the same job title in that department.

No full-time regular employee will be laid off if that employee can be transferred to a position then held by a contract employee employed with the District doing work that the full-time regular employee can perform (with education, and training not to exceed six months).

5.6 Rehire from Layoff

In the event staffing allocations require an increase in working forces within one (1) year following a reduction in force, rehiring will be effected by notifying employees in reverse order of which they were laid off provided they have the necessary skills and ability to perform the required work efficiently and without training.

5.7 Termination

Employees will be considered terminated by (a) voluntary quit; (b) discharge for cause; (except "at will" employees who may be terminated with or without cause) (c) failure to return to work within five (5) days after notice of rehire from layoff; (d) failure to properly

notify the District or provide documentation for absences of five (5) or more work days; (e) layoff without being rehired for a period of one (1) year.

ITEM 6 - Wage and Salary Administration

6.1 Salary Increases

Effective December 1, 2004, provide for a general wage adjustment of 3%.

Effective the pay period that includes December 1, 2005, provide for a general wage adjustment of 3%.

Effective the pay period that includes December 1, 2006, provide for a general wage adjustment of 3.25%.

Effective the pay period that includes December 1, 2007, provide for a general wage adjustment equal to 3.75%.

6.2 Payday/Pay Periods

The District pays on a bi-weekly pay day basis with paydays every other Friday. If a payday occurs on a weekend or a holiday, the scheduled payday will be on the preceding regular workday.

6.3 Application of Wage Ranges

- a. A new employee normally will be hired at the minimum of the rate range established for his/her job unless, as determined by the District:
 - He/she possesses unusual qualifications or experience above the minimum required for the job.
 - A temporary condition has placed a special premium on individuals with particular skills.
 - He/she is hired on a temporary basis, and such extra compensation is necessary to induce him/her to take the position for a limited time. A temporary employee paid according to this provision who becomes regular will normally be paid at the minimum of the rate range established for that classification.
- b. No employee will receive compensation in excess of the maximum of his/her rate range unless he/she was being paid more than the maximum when the range was established.

6.4 Merit Increases

- a. A merit increase is defined as the payment of a higher rate, not exceeding the maximum, to a deserving employee (as determined by the District) whose classification remains unchanged. Merit increases are granted primarily in recognition of improvement in performance or continued acceptable performance. Only one-step increases will be granted unless unusual circumstances as deemed by the District management exists, in which case the General Manager may authorize additional increases. Marginal performance will not qualify personnel for a merit increase regardless of the time period specified below.
- b. The normal time interval for a merit increase, following a favorable performance evaluation, will be one (1) year from the date of the last increase, and with subsequent favorable performance evaluations, shall continue yearly until the employee reaches the top rate of pay for his/her current classification. New employees will be considered for a merit increase following six (6) months of employment provided the employee's current pay is below the maximum rate for the position. Newly promoted employees will be considered for a merit increase following six (6) months in the new position provided the newly promoted employee's current pay is below the maximum rate for the position. Performance evaluations will be completed at the end of each merit review period. The District will advise employees as to any deficiencies, advise employees of remedies, and provide assistance to employees to overcome such deficiencies.
- c. In the case of particularly outstanding work, an increase may be granted by the General Manager in less than the specified time period provided sufficient justification is submitted by the requesting department, correspondingly, it is expected that in some instances the time interval will exceed that listed above.
- d. In calendar year 2005, the General Manager will review the application of the "1989 Pay for Performance" program with the Board of Directors for classifications currently paid according to the Management pay table (minimum, control point, merit maximum range). If approved by the Board, Management classifications in this pay table will be reviewed in calendar year 2006, based on 2005 performance, for pay above or below the control point for that classification.

ITEM 7 - Job Content

7.1 Establishment of Duties and Qualifications

It is recognized that the creation and/or redesign of job classifications, including the establishment of duties and the qualifications required therefore, are exclusive functions of District management. The District will develop and maintain current written descriptions of job classifications and make such descriptions available to the Management and Confidential Employees.

7.2 Work Assignments

While it is management's intent to schedule work and assign personnel in such a manner as to achieve maximum utilization of the respective employee's abilities, and while it is management's intent to encourage an employee's progression upward in the same line of work, it is recognized and agreed that conditions which affect District operations will require flexibility in work assignment to permit cross-training and to stabilize the workload among departments. It is therefore also recognized and agreed that as conditions require, management will assign employees duties, which may not be within the usual scope of classification responsibilities. As determined by department supervision, employees will perform such duties providing they are properly trained and qualified to safely do so.

7.3 Temporary Upgrading

When a fully qualified, non-exempt regular employee is temporarily assigned by the District, and is accountable for, the complete responsibility of a higher classification for a period of four (4) consecutive hours or more and such employee is a replacement for the employee of the higher classification, the employee will be paid a premium of 6% above his/her current base rate of pay for all time worked; however, in no case will two (2) employees be paid for carrying out responsibilities of a single position at the same time, nor will any employee be temporarily upgraded with a 6% premium while performing in a learning capacity. An upgraded employee must work in the higher classification on the workday prior to and the workday after a holiday to be eligible for the holiday pay at the upgraded rate. An employee is determined to be fully qualified when he/she meets the requirements of the higher classification according to the job description for that position. Employees who work overtime at an upgraded rate will not be eligible to accumulate Compensatory Time Off (CTO) for the upgraded rate. Any overtime under temporary upgrade will be paid as overtime on the next time card. Positions being filled by temporary upgrade will be limited to a six (6) month duration at which time the District will post the position to be filled on a regular basis. Management may designate positions that will be temporary upgraded beyond the six (6) month period for the following reasons:

1. Replacement of an employee on extended medical leave.
2. A special project position lasting up to 24 months.

3. Succession plan position lasting up to 36 months.

7.4 Temporary Job Siting

Any employee required to report to a temporary job location, which is outside of a 20 mile radius from their primary work location, will be reimbursed for actual mileage based on District then current amount and will be paid for travel time to and from the temporary job location. Unless assigned otherwise by the employee's supervisor, the employee will report to the primary work location before traveling to the temporary job site.

ITEM 8 - Promotion/Transfer/Demotion

8.1 Promotion for Non-exempt Job Vacancies

It is the intent of this Title, that when a job vacancy occurs, and the District determines to fill it, it shall be filled according to the provisions of this Title, by the applicant who is most qualified according to skill, knowledge, aptitude, relevant experience, and potential for further promotion to the highest classification in that line of progression. The District shall be free to recruit both in-house and outside simultaneously for all exempt, contract and part-time positions. All regular full-time District employees may apply with outside applicants for these vacancies.

8.2 Temporary and Probationary Employees

Temporary and new probationary employees, as described in Sections 5.3 and 5.4, will only be entitled to consideration for Open Lists.

8.3 Bypass for Lack of Qualifications

The District will reject the application of any employee who does not possess the knowledge, skills, efficiency, adaptability and physical ability required for the vacant position. The District may conduct test programs to determine the employee qualifications. Tests utilized will be valid and work-related. Test procedures to be utilized will be clearly stated in each job announcement. An employee's failure to perform successfully in the test procedure shall result in rejection of his/her application without further consideration. Upon request, an applicant will receive counseling to point out areas where improvement is possible including the review of missed test questions.

8.4 Pre-Established Lists

Vacant positions may be filled by use of pre-established lists. The existence of a valid list for the position will supersede the need to post the position. If a current and valid list exists, it will be utilized according to the priority as follows: If an in-house list (District Promotion List) has been established, and the time limit for the list has not expired, and either no names remain on the list, or an insufficient number of names remain to fill

vacancies, then the District may post the position(s) directly to the outside to fill the position(s) that cannot be filled from the in-house list. Employees may apply along with outside applicants in this outside recruitment. If no list exists, a list will be established to fill (a) the current vacancy only, or (b) current and future vacancies. Lists will be maintained for up to one (1) year or two (2) years in the case of Classification Reinstatement List. Employees on such lists will be informed in writing when the list is abolished. Employees on pre-established lists will be given preference in the following order:

- a. Employees in the same classification (Transfer List)
- b. Employees previously demoted from the specific classification due to a reduction in force (Classification Reinstatement List).
- c. Former employees eligible to be rehired from layoff (Reemployment List).
- d. Employees who have previously been tested and certified eligible based on skills, knowledge, aptitude, and potential for further promotion (District Promotion List).
- e. Outside applicants (Open List). The job posting for positions to be filled by Open Lists will indicate the length of time the list will be valid.

8.5 Procedures for Establishing a District Promotional List

- a. The job announcement will state a list will be established to fill future vacancies.
- b. The length of time a list will be maintained will be stated.
- c. The names of applicants who are successful in the examination process will be placed on a list. This list will be used for future selections.
- d. When a vacancy occurs, the names of the top three employees who have the highest numerical score will be forwarded to the appropriate manager for selection. If there are less than three (3) employees to select from, outside applicants will be considered to provide the top three applicants for review. In the event two or more applicants are equally qualified, an employee will be selected over an outside candidate. The results of previous test, oral rating sheets, and other appropriate examination information will be provided. In addition, an updated review of work history, reference check, and personnel file, will occur. The manager will select one individual from the top three. Selection will continue until both lists are exhausted.

8.6 Notice

Notice of regular full-time vacancies will be posted on District bulletin boards. Employees will have ten (10) working days in which to apply for the position.

8.7 Filling Vacancies

Qualified applicants who have been reassigned for lack of work or lack of funds from the classification in which the vacancy exists or a higher classification series shall be given first consideration.

8.8 Posting of Awards

District shall post quarterly in the Human Resource report on the Intranet and on all official bulletin boards a list of all promotions.

8.9 No Qualified Applicants

In instances where qualified personnel are not available within the District to fill job vacancies, such personnel may be employed from the outside.

8.10 Salary on Promotion

When a regular promotion is made into a job classification with a maximum rate of pay higher than the maximum rate of pay of the prior classification, the employee, if qualified, will be placed in the lowest pay step which represents a minimum increase of 4% except for assignment to apprentice classes. Upon promotion, a new merit review date will be established. If the employee is selected for a position that has the same pay grade as the employee's current classification, there shall be no change to the pay grade or step and the employee will not have a probationary period. In this instance, the merit review date will remain the same.

8.11 Unsuccessful Promotions

Newly promoted employees will be assigned to probationary status for a period of six (6) months. If, during the six-month probationary period, the employee is, in the judgment of the District, unsuccessful in the new position, the following procedure will take place:

- a. The employee will be returned to his/her former position provided a vacancy still exists.
- b. If no vacancy exists, as provided for in (a) above, the employee may bid on any other District vacancy for which the employee is qualified.
- c. If a vacancy, as provided in (b) above, does not exist, the employee will be placed in a vacancy for which he/she is qualified.
- d. If no vacancy exists, as provided for in (a), (b), or (c) above, he/she will be laid off, however, for a period of one (1) year, the employee will be eligible for rehire in the first available opening for which he/she can qualify under Section 8.5

8.12 Transfers - Definitions

A transfer is defined as the reassignment of an employee to the same job description (which includes job descriptions with multiple titles).

An employee must meet the qualifications of the department to which the employee is transferring, as determined by that department's management.

8.13 Salary on Transfer

When an employee is transferred, there shall be no change in salary rate.

8.14 Transfer Procedure

To Implement a Transfer Request:

- a. An employee will complete a transfer request form and forward copies to the immediate supervisor, Division Manager, and the Human Resources Department.
- b. The Human Resources Department will retain a Transfer file and upon a vacancy occurring, will contact each employee on the Transfer List to ask if he/she is interested in transferring to this vacancy. The employee will have one (1) opportunity to be considered for this particular transfer. If the employee wishes to be considered, the Human Resource Department will notify the appropriate Division Manager who will consider the request. Acceptance of the transfer will depend on qualifications, job performance and supervisor references of the employee requesting the transfer. When in management's judgment, the qualification of two or more best qualified individuals are relatively equal, the senior individual will be selected.
- c. The Human Resources Department will notify the individual as to the disposition of the request.
- d. The transfer request will be valid for one (1) year from the time the employee completes the request form. If the employee is interested in this position beyond one year or other positions, it will be the employee's responsibility to keep the request in the transfer file current, since vacancies may be filled at any time.
- e. A valid transfer request must be on file prior to the position vacancy otherwise the employee will be required to apply for the position through the normal job posting process.
- f. Management may assign an employee of the same job classification to an open vacancy within that division and primary work location based on seniority and qualifications if the transfer or in-house recruitment process does not fill the open vacancy.

8.15 Demotion

A demotion is the movement of an employee to a position having a lower rate range. If the transaction results from the request of the employee, it will be designated as "change in classification."

8.16 Salary on Demotion

When a demotion or change in classification is made into a job classification with a maximum rate of pay lower than the maximum rate of pay of the prior classification, the employee, if qualified, will be placed in the pay step which is either equal to his/her former rate or that which represents the minimum decrease. Disciplinary demotions are excepted from this section.

ITEM 9 - Days/Hour of Work

9.1 Workday and Workweek

A regular workweek shall consist of seven consecutive calendar days, Sunday through Saturday, and a regular basic workweek shall consist of five consecutive eight-hour workdays. The regular workday shall begin between 6:00 a.m. and 9:00 a.m., eight (8) hours per day, Monday through Friday. However, regular work hours are particular to each department and shall be designated by the department head. Changes to the workweek and work hours will be reviewed with affected employees prior to implementation. Except for emergencies, the District will provide 48 hours notice of any shift or work hour changes.

9.2 Break Periods

A maximum of two breaks are usually permitted each day; one for each four (4) hour work period. These breaks shall be scheduled about midway through each four (4) hour period and each break shall not exceed fifteen (15) minutes.

9.3 Meal Periods

The regular daily work hours shall include a minimum 1/2 hour lunch period during approximately the middle of the work shift.

9.4 Alternate Work Schedule

An Alternate Work Schedule is an agreement between the employee and the District to work a schedule other than the regular work hours for full-time regular employees that consists of five (5) eight (8) hour days in a seven (7) consecutive day work week.

Approval of individuals requesting an Alternate Work Schedule shall be approved by department management. Department management shall suspend Alternate Work

Schedules of individuals or groups if in management's determination, it no longer meets the needs of the District. Some departments may not be able to offer Alternate Work Schedules for employees due to the nature of the work and service to customer.

4/10 Work Schedule – The workweek will consist of four (4) days at ten (10) hours per day and will be paid at straight time rate. The workweek will be Sunday through Saturday. The workdays in this workweek will be Monday through Thursday or Tuesday through Friday, with Monday or Friday as the day off.

9/80 Work Schedule – This is a bi-weekly work schedule that consists of eight (8) days at nine (9) hours per day and one (1) day at eight (8) hours per day and will be paid at the straight time rate. The workweek will begin and end at a different time of the week depending on the 9/80 schedule being worked. Specific Alternate Work Schedule options are spelled out in the Employee Handbook.

ITEM 10 - Overtime

10.1 Policy

It is the District's policy to adhere to the definition and requirements of applicable Federal and State laws for non-exempt employees which define overtime as hours worked in excess of eight (8) hours per day or forty (40) hours per week unless otherwise provided. The District defines overtime as hours in excess of eight (8) hours per day unless waived by the employee as a result of an approved Alternate Work Schedule. It is the District's policy to avoid the necessity for overtime whenever possible while understanding that overtime work may sometimes be necessary to meet emergency situations, seasonal, or peak work load requirements. All overtime work will be distributed among employees by department in the same classification as equally as practicable. Further, District employees will be offered overtime work before such work is offered to hourly contractors hired by the District as practicable. Additionally, no employee shall work overtime unless authorized by the appropriate Department Manager or his/her designated representative.

10.2 Definitions

a. Continuation Overtime

Shift Continuation Overtime is defined as overtime hours worked immediately following any regularly scheduled work period with no release from work of the employee by the District, except for situations where the overtime work was prearranged.

b. Call Back Overtime

Call Back Overtime is defined as overtime requested of the employee after there has been a release from work by the District. Whenever an employee is called to respond to an emergency condition, he/she will begin receiving overtime compensation from the time the call is received by the employee. If an employee is able to resolve the condition over the phone, he/she will receive overtime compensation for 1/2 hour or the actual time the employee was on the phone to resolve the condition, which ever is greater. An employee requested to report for a regular shift schedule will not be entitled to any overtime compensation prior to reporting for the shift, whether under Call Back Overtime or Prearranged Overtime. The minimum time paid for Call Back Overtime will be two (2) hours. If the Call Back Overtime overlaps into a regular work shift, and the employee has not qualified for a rest period, the employee will receive Call Back Overtime until the beginning of the regular work shift.

c. Prearranged Overtime

Prearranged Overtime is defined as overtime hours worked when advance notice to work was received with a minimum notice of twelve (12) hours prior to the requested reporting time. The advance notice shall specify the starting time and ending time for the Prearranged Overtime assignment. If circumstances require work to continue beyond the prearranged ending time, the overtime work after the prearranged ending time will be considered continuation overtime. No minimum time paid will be associated with Prearranged Overtime if it immediately precedes or succeeds the normal work shift.

10.3 Overtime Compensation

Non-exempt employees normally shall be paid at the rate of one and one-half (1-1/2) for all hours worked beyond eight (8) hours per day or forty (40) hours per week.

Non-exempt employees on Alternate Work Schedules, as defined in Section 9.4, will be compensated at one and one half (1-1/2) for hours worked above the designated Alternate Work Schedule. Time worked shall include non-productive hours such as: paid vacation, sick leave, paid holidays, paid jury duty, or paid workers' compensation. Overtime will be paid for all productive hours over forty (40) in a given work week or any productive hours prior to or exceeding an employee's normally scheduled shift on a work day. Overtime will not be paid for hours over forty (40) to the extent that such total includes non-productive hours. Overtime pay for employees, when applicable, shall be computed on the base rate multiplied by the appropriate shift differential factor. Overtime shall be computed to the nearest one-quarter hour.

10.4 Compensatory Time Off Policy

Subject to the following limitations, any employee eligible for overtime pay may choose to accept Compensatory Time Off (CTO) in lieu of cash compensation for earned

overtime will be granted at the rate of one and one-half (1-1/2) hours of straight time compensation for each hour of overtime earned.

- a. The maximum accumulation of CTO at any time shall be limited to 120 straight time hours. However, any accumulation above 80 straight time hours will be subject to supervisory approval.
- b. An employee shall decide whether earned overtime will be recorded as overtime, CTO or an equivalent combination prior to submission of their next time card. Accumulation above 80 straight time hours will be subject to supervisor approval. Such decision shall be irrevocable subsequent to the submission of the time card.
- c. Accumulated CTO shall be used in minimum increments of eight (8) hours in the case of crew-type operations and four (4) hours in the case of non-crew-type operations. Exceptions may be allowed by the supervisor to accommodate occasional unforeseen needs of an employee. Such exceptions shall be granted in minimum increments of one (1) hour, and shall not exceed an aggregate of eight (8) hours in any calendar year and shall be subject to all conditions of subsection (d) below.
- d. An employee request to use accumulated CTO shall be granted at the sole discretion of the department head with due consideration to both the wishes of the employee and the efficient conduct of District business. Two working days notice is required. However, if the supervisor feels that the workload is such that shorter notice is acceptable, he/she may grant CTO accordingly.
- e. CTO shall not be used in the same pay period in which it is earned.

10.5 Overtime Meal Expense

When non-exempt employees are required to work overtime, the District will provide meal expense allowance and overtime meal breaks in accordance with the following provisions:

- a. The overtime meal allowance shall be \$1.03 per overtime quarter-hour worked for Continuation and Call Back Overtime worked. For Prearranged Overtime worked, overtime meal expense begins when time worked is in excess of eight (8) hours on a non-workday, or in excess of two (2) hours worked on a regular workday. The overtime meal allowance shall be automatically adjusted at the same rate as any general wage adjustment granted through action of the District's Board of Directors rounded to the nearest \$0.01. For purpose of calculation of meal expense, the point in time an employee begins collecting pay for overtime will be the same starting point for calculation of meal allowances. However, any overtime payment not associated with time actually worked at the end of the overtime assignment, will not be used to calculate meal allowance

such as guaranteed minimums for Call Back Overtime. Payment for overtime meal expense allowance shall be made in accordance with District procedures.

- b. Overtime meal breaks are earned at the rate of 0.03125 hours per overtime quarter-hour worked for Continuation and Call Back Overtime worked and for Prearranged Overtime worked in excess of eight (8) hours on a non workday or in excess of two (2) hours worked as a prearranged extension of regular work hours on a regular workday. Overtime meal breaks will normally be taken at four (4) hour intervals and will not be delayed beyond a six (6) hour interval without the employee's consent. If circumstances do not permit some or all of the earned meal break time to be taken during the work assignment, the balance of the earned meal break time will be credited to the employee as additional overtime worked at the applicable overtime rate(s), which applied when the overtime meal break was earned.
- c. Overtime meal breaks shall not be included in overtime hour worked for the purposes of determining overtime meal expense allowance and the overtime meal breaks earned.

10.6 Overtime Rest Period

The intent of the District is to provide a rest period to employees as soon as possible after the completion of emergency work. Employees who are entitled to a rest period in accordance with the following guidelines shall be compensated at the applicable overtime rate until released from work. Routine work will not be assigned to prolong the beginning of rest periods.

- 1. If an employee has worked for eight (8) hours or more at the overtime rate during the sixteen (16) hour period immediately preceding the beginning of his/her regular work hours, on a work day, he/she shall be given a rest period of eight (8) consecutive hours at the completion of the emergency work.
- 2. If an employee has worked for six (6) hours or more at the overtime rate during the twelve (12) hour period immediately preceding the beginning of his/her regular work hours, on a work day, he/she shall be given a rest period of six (6) consecutive hours at the completion of the emergency work.
- 3. If an employee has worked for four (4) or more hours at the overtime rate during the eight (8) hour period immediately preceding the beginning of his/her work hours on a work day, he/she shall be given a rest period of four (4) hours at the completion of the emergency work.

Compensation for the rest period will be allowed at the straight time rate for the hours within the rest period that overlap into the normal working hours. Vacation or CTO may

be used to extend the rest period to the end of the employee's normal shift with the approval of his/her supervisor.

10.7 Administrative Leave

Administrative leave may be granted during light workload periods to employees who are exempt from receiving overtime pay. Administrative leave has no cash value and is provided on an extra hour worked for hour taken off basis. No more than one hundred twenty (120) hours of Administrative Leave can be accumulated at any time.

Specific detail on Administrative Leave is stated in the Employee Handbook, Section B08, titled Administrative Leave.

ITEM 11– Holidays

11.1 Paid Holidays

- New Year's Day
- Martin Luther King's Birthday
- Washington's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
- Friday following Thanksgiving Day
- Christmas Day
- Special Holiday (Christmas/New Year)
- Birthday Holiday (Floating)

11.2 Procedures

When any of the above holidays fall on a Sunday, the Monday following shall be observed as the holiday. When any of the holidays fall on a Saturday, the preceding Friday shall be the holiday.

Holiday pay shall be at the rate of straight time for eight (8) hours on such days. Non-exempt employees required to work on holidays shall receive compensation at the overtime rate for the actual hours worked in addition to their holiday pay. Exempt employees required to work on a holiday will qualify for administrative leave.

Employees who are not receiving pay for time worked or authorized paid time off on the work day preceding and the work day following a paid holiday are not eligible for the benefit. Long Term Disability is not considered regular pay status.

Part-time regular employees, except those individuals who are employed in a work experience or student intern classification, receive holiday pay on a pro rata basis.

Special holiday (Christmas/New Year)- One half of the employees will receive a holiday, with pay, at Christmas and the remaining one half of the employees will receive a holiday, with pay, at New Years. The splitting of personnel will be at the discretion of the department head and his/her supervisors, keeping in mind that the District will remain in operation and must have a balanced work force. The General Manager shall specify the exact days each year.

Employee Birthday Holiday is designated as a floating holiday and must be taken prior to the end of the last bi-weekly pay period which is paid in that calendar year, subject to

supervisory approval. New employees will be eligible for this holiday during their first calendar year of employment only if their birthday falls on or after their hire date.

ITEM 12 - VACATION

12.1 Schedule of Benefits

Vacation is earned on an accrual basis based on the schedule below and recorded each pay period as hours of vacation earned. Any changes in an employee's vacation accrual rate will occur at the beginning of the pay period in which the anniversary date occurs. Each regular employee shall be entitled to a paid vacation in the calendar year in which he/she becomes eligible. A newly hired employee is eligible to take the earned vacation following completion of one year of service. Subject to the regulations below, vacation days-earned may be taken any time, subject to supervisory approval. Should an employee terminate or retire, the District will calculate vacation payoff benefits on the basis of actual time served. Long Term Disability is not considered regular pay status. Part-time regular employees earn vacation benefits on a pro-rata basis.

TIME OF SERVICE		ACCRUAL RATE	
Months From Hire Date	Years	Hours Per Bi-Weekly Pay Period	Days Per Year
through 48 months	From Hire Date through completing 4 years	3.08	10
49 through 108 months	From 4th anniversary through completing 9 years	4.62	15
109 through 168 months	From 9th anniversary through completing 14 years	5.23	17
169 through 228 months	From 14 th anniversary through completing 19 years	6.15	20
229 through 288 months	From 19 th anniversary through completing 24 years	6.77	22
289 through 348 months	From 24 th anniversary through completing 29 years	7.38	24
349 months & over	From 29 th anniversary and over	8.00	26

12.2 Procedures

Vacation is provided to allow employees time away from work during the year. To that end, employees are encouraged to schedule and take vacation. However, workload circumstances and conditions may prevent employees from taking vacation. In these instances, vacation hours may be carried over to the next succeeding vacation year. The maximum amount of vacation carry over hours allowed will be equal to twice the employee's annual vacation entitlement. Any vacation balance in excess of twice the annual entitlement will be paid to the employee after the end of each quarter. This quarterly vacation payout will be includable compensation for purposes of calculating of Average Monthly Compensation in determining the Pension payments at retirement for employees hired before January 1, 2006.

Except for three weeks (15 days), vacation must be taken in no less than one week periods, and shall be scheduled by the department head, with due regard for the wishes of the employee and with particular regard for the needs of the District.

When an employee elects to utilize a portion of his/her vacation, not to exceed three weeks (15 days) in one through four (1 through 4) day intervals, he/she shall notify his/her supervisor at least two (2) weeks in advance of the date requested and receive his/her approval. If the supervisor feels that the workload is such that shorter notice is acceptable, he/she may grant vacation accordingly. In no event shall an employee be able to take more vacation than currently accrued.

Exception to the rule of taking vacation in one or two (1 or 2) day intervals may be allowed by supervisors to accommodate occasional unforeseen needs of an employee. Such exceptions shall be granted in minimum increments of one (1) hour, and shall not exceed an aggregate of eight (8) hours in any calendar year. Two (2) working days notice is required for such requests. However, if the supervisor feels that the workload is such that shorter notice is acceptable, he/she may grant vacation accordingly.

Exceptions to these procedures may be allowed only by special authorization from the General Manager.

Each department head shall prepare a vacation schedule for all employees under his/her jurisdiction. Changes in this schedule will be permitted provided an employee gives his/her department head two (2) weeks notice. The schedule shall be prepared in such a way that vacations will not handicap departmental operations.

12.3 Vacation at Termination/Retirement

- a. If an employee has no earned and unused vacation the termination/retirement date shall be the last day worked.
- b. An employee who terminates/retires and has earned and unused vacation may elect either of the following options:

1. Continue to work until the date of termination/retirement and be paid for unused vacation, or,
2. Discontinue working and take unused vacation time that would extend from last day worked up to the date of termination/retirement.

If option (2) is selected, deductions from vacation pay will be the same as if the employee is actually on the job and coverage will be provided under various group programs through vacation time.

ITEM 13- LEAVES WITH PAY

13.1 Purpose/Use of Sick Leave

Sick leave is provided to protect employees from loss of income in cases of absences caused by illness or injury of an employee or his/her immediate family (persons related by blood or marriage), when the employee is required to care for the sick family member, and medical and dental office visits that cannot be scheduled during non-working hours. Sick leave is not intended for purposes not related to the above circumstances.

13.2 Accrual Rate

- a. Full-time employees accrue sick leave at the rate of ten (10) days per year.
- b. Regular employees who work less than full-time accrue sick leave on a pro rata basis according to hours worked.
- c. Accrual commences from the first day of employment. There is no maximum limit.

13.3 Eligibility

- a. Accrued sick leave may be used in conjunction with an industrial injury. In this case, if Workers' Compensation is paid simultaneously, the employee must return to the District any sick leave paid which is greater than full salary when combined with Workers' Compensation pay. This sick leave will be re-credited to the employee's accrued sick leave account.
- b. Eligible employees who are ill on a holiday will receive holiday pay, provided they are on a regular pay status.
- c. Employees must be in a regular pay status, receiving pay for work, sick leave, vacation, military leave as defined by government code, jury duty, bereavement leave, or on Workers' Compensation (excluding LTD) to be eligible to accrue and

receive sick leave benefits. Long Term Disability is not considered regular pay status.

- d. An employee eligible for retirement, as defined in the plan, will receive 35% cash payoff of accumulated sick leave hours from 0-400, 50% for hours 401-800, 75% for hours 801 and above at the time of retirement or may take hours off according to total amount of cash payable divided by last hourly rate. If the employee chooses the latter option, further sick leave and vacation will not accrue during the hours off. Using the formula above, earned and unused sick leave will be paid to a current employee at death.
- e. Sick leave credit may be applied to make up the difference between payments from Workers' Compensation and full salary when employees are off work due to industrial injuries.
- f. In January of each year, the sick leave taken during the previous payroll year will be used to determine qualification for the Sick Leave Usage Incentive. The payroll year encompasses the pay periods associated with all paydays in a calendar year. An employee must have a sick leave balance of at least 240 hours as of the last payday of the calendar year and meets one of the following:
 - 1 An employee who has used twelve (12) hours or less of sick leave during the previous payroll year shall accrue eight (8) hours of vacation. The employee may elect to cash in these eight (8) hours of vacation at the employee's current base rate of pay. Payment of these hours earned or cash under the Sick Leave Usage Incentive will occur as soon as practical, but not later than the second pay period in February.
 - 2, An employee who has used eight (8) hours or less of sick leave during the previous payroll year shall accrue ten (10) hours of vacation. The employee may elect to cash in these ten (10) hours of vacation at the employee's current base rate of pay. Payment of these hours earned or cash under the Sick Leave Usage Incentive will occur as soon as practical, but not later than the second pay period in February.

BEREAVEMENT LEAVE

13.4 Eligibility

In the event of a death in an employee's immediate family, (spouse, son, daughter, mother, father, brother, sister, father-in-law, mother-in-law, stepfather, stepmother, stepson, stepdaughter, grandmother, grandfather, spouse's grandmother or grandfather) the employee may take a maximum of three (3) days leave without loss of pay for purposes directly connected to the loss of the family member such as attending the funeral and making necessary arrangements. Employees will receive three (3) days leave and be paid for their regularly scheduled hours of work during such period regardless of the number of hours worked per day/shift.

JURY DUTY

13.5 Eligibility

Employees are allowed leave with pay for Jury Duty. All employees are required to report for work at their regularly scheduled time unless it is impracticable to do so because of reporting time for Jury Duty. If the employee's regular shift is a night shift during the time the Jury Duty is scheduled, the employee has the responsibility to contact the Jury Commissioner to reschedule the Jury Duty so that it is during a period of time the employee is working day shift or off work. If the employee cannot change their scheduled appearance for Jury Duty after requesting the change from the Jury Commissioner, the employee's supervisor will make a best effort to minimize the impact on the employee including shift or schedule changes provided this does not create an unreasonable hardship or create an overtime obligation for the District. Employees are also required to report back to work upon release from Jury Duty unless his/her assigned work shift has ended or in the judgment of the supervisor returning to work for a short period of time would also be impracticable.

An employee wishing to apply for voluntary Jury Duty, such as the Grand Jury, must notify his/her supervisor of the intent and work requirements must be considered before approval is granted by the supervisor. An employee absent from work to serve on a voluntary jury or conduct voluntary jury business may elect to use CTO, vacation or Administrative Leave, or leave of absence without pay.

ITEM 14 - LEAVES WITHOUT PAY

14.1 Reasons for Leaves

Leaves of Absence without pay may be granted by the District for any reasonable purpose. Examples include: personal or family illness, family care leave, disability, pregnancy, education, serious health conditions (at least an overnight stay in a hospital and/or three consecutive days of incapacity) and for other personal reasons acceptable to management. Management may require appropriate verification, in order to grant the leave. Granting of leave will allow an employee to be reinstated to the same or to a comparable position at the end of the leave. This leave will run concurrently with any other leave program including FMLA.

14.2 Length of Leaves

A leave of absence without pay may be for a period not to exceed six (6) months or two (2) semesters in cases of educational leave. Military leaves will be granted in accordance with applicable sections of the Veterans Code. In case of personal illness or disability, the District may extend an authorized leave of absence without pay for longer than six (6) months.

14.3 Commence and End

A "leave" shall commence on and include the first workday on which the employee is absent without pay, and terminate with and include the workday preceding the day he/she returns to work.

14.4 Salary/Benefits Status

An employee's job classification and pay level will not be affected by a leave of absence. However, leaves of one month duration or longer will delay the effective date of a probationary or merit salary increase by an amount of time equal to the time spent on the leave up to a maximum delay of one year.

Vacation, and sick leave are not accrued during leaves without pay of one-month (30 calendar days) duration or longer.

ITEM 15 - BENEFITS

15.1 Maintenance of Benefits

The District agrees to maintain dental, life, disability and vision insurance programs at substantially the current level of benefit and pay 100% of the premium costs during the term of this Resolution. The District further agrees to maintain health insurance programs as defined in the particular benefit plan. At anytime the District is considering a change in the level of benefit offered by a provider for the health insurance programs, it will inform the Management and Confidential employees prior to making any changes. The District is committed to providing at least two (2) health insurance provider options for employees and their dependents. If two (2) health insurance providers are not available, the District will notify the Management and Confidential employees.

Effective April 1, 2005, the employee shall pay, through payroll deduction 6% of current monthly premium for coverage elected (employee only, E+1, E+2 or more) for health insurance.

Effective January 1, 2006, employee shall pay, through payroll deduction 8% of the current monthly premium for coverage elected (employee only, E+1, E+2 or more) for health insurance.

Effective January 1, 2007, through the expiration of this agreement (November 30, 2008) employee shall pay, through payroll deduction 10% of the current monthly premium for coverage elected (employee only, E+1, E+2 or more) for health insurance.

The employee will be solely responsible for any deductibles or co-payments as defined in the particular plan.

a. Opt Out Provision

The District will develop an Opt Out provision for employees to waive medical coverage at the employee's option only during health open enrollment annually for the next plan year if the employee provides acceptable verification that the employee has medical coverage through another source. Once Opted Out, employees will be allowed to opt in only during health open enrollment annually however, employees may opt back into District medical coverage if a "qualifying event" as defined under COBRA occurs anytime during the health plan year.

If the employee Opts Out of medical coverage, the employee shall receive in the Plan year Opted Out, 50% of the monthly premium amount the employee elected in the plan year immediately prior to the Opt Out year (employee only, E+1, E+2 or more).

If two employees working for the District are spouses and if they both agree, they shall have the option to elect one medical coverage that will cover both employees and their dependents. The employee Opting Out of coverage shall receive in the plan year Opted Out, 50% of the monthly premium amount the employee elected in the plan year immediately prior to the Opt Out year (employee only, E+1, E+2 or more).

If a newly hired employee who has not had previous health care coverage by the District elects to not enroll in health coverage for the Plan year, he/she shall receive 50% of the monthly premium amount for the least expensive HMO option health plan for the coverage level otherwise elected (employee only, E+1, E+2 or more).

b. Retiree Medical Benefits

An employee hired before January 1, 2006, upon qualifying for retirement as defined in the Basic Retirement Plan, and the spouse of such an employee, shall be entitled to receive health insurance coverage during his or her lifetime.

The spouse of an employee hired before January 1, 2006, who dies after March 31, 2003, having attained at least 840 months combined age and credited service, shall be entitled to receive health insurance coverage during his or her lifetime.

Eligible dependents of (i) an employee hired before January 1, 2006, who qualifies for retirement as defined in the Basic Retirement Plan, or (ii) an employee hired before January 1, 2006, who dies after March 31, 2003, having attained at least 840 months combined age and credited service, shall be entitled to receive health insurance coverage as long as such individual retains his or her status as an eligible dependent pursuant to the terms and conditions of the health insurance plan.

The District agrees to maintain the current level of health benefits for (i) current retirees (ii) employees hired before January 1, 2006, who qualify for retirement benefits as defined in the Basic Retirement Plan, and their respective spouses and eligible dependents, and (iii) the spouse and eligible dependents of employees hired before January 1, 2006, who dies after March 31, 2003, having attained at least 840 months combined age and credited service, for the lifetime of such retiree, employee, or spouse or, in the case of an eligible dependent, as long as such eligible dependent retains such status as defined in the health insurance plan.

Employees hired January 1, 2006, or after, upon qualifying for retirement as described in the Basic Retirement Plan, or the spouse of said employee hired January 1, 2006, or after having attained at least 840 months combined age and credited service who dies prior to reaching age 65, will receive health and welfare coverage (health, dental and vision) until age 65, and the spouse of such employee will receive health and welfare coverage (health, dental and vision) until such spouse reaches age 65. Eligible dependents of employees hired January 1, 2006, or after will receive health and welfare coverage as long as they are an eligible dependent as defined in the health and welfare plans.

The retiree or their spouse and/or eligible dependents will be required to pay the monthly premium as defined below for the difference between retiree only and dependent (E+1) or family (E+2 or more) coverage if dependent coverage is elected.

Employees who retire during the term of this agreement as well as employees who retired on or after January 1, 1992, and the spouse and/or eligible dependents of an employee who dies after March 31, 2003, having attained at least 840 months combined age and credited service and/or eligible surviving spouses of deceased retirees who retired on or after January 1, 1992, paying premium amounts for health care will be required to pay the amounts listed below for health care coverage for themselves and any eligible dependents.

Retiree Monthly Premium Payments

Retiree and one dependent	\$8.00 per month
Retiree and two or more dependents	\$13.00 per month

c. Employee Part-Time Regular

An employee who is classified as a Part-Time Regular employee and has completed a total of five (5) years of continuous service classified as a Full-Time Regular employee at some point in his/her employment at the District, and who is eligible for retirement as defined in the Basic Retirement Plan, will be required to pay the monthly premium as defined below for the difference between retiree only and dependent (E+1) or family (E+2 or more) coverage if dependent coverage is elected. If a Part-Time Regular employee does not have the accumulated five (5) years of continuous service as a Full-

Time Regular employee, he/she will pay 50% of any health coverage he/she would be eligible for if elected as a retiree.

d. Funding of Future Health Care Benefits

The District has developed a Retirement Medical Benefits Plan to fund current and future eligible retiree medical benefits for themselves and eligible dependents. This Plan will set aside sufficient funds through annual contributions to pay expected retiree medical benefits for District retirees. This fund will be overseen by the Retirement Committee.

e. Dental Coverage

Effective January 1, 2005, the maximum coverage per calendar year for each eligible enrollee as defined in the dental plan provided by a covered dentist (non-DPO) shall be \$1,500. All other levels of dental benefits remain as contracted with the District for the plan year.

15.2 Policy/Carrier Changes

Should management determine that it is in the best interests of the District and its employees to change insurance policies and/or carrier, yet not reducing benefit levels, the Management Confidential Employees will be notified prior to finalization of any such changes.

15.3 Payment of Employee Educational and Professional Development Activities

The District will reimburse regular employees for textbooks and tuition, registration and lab fees for occupationally related school courses, satisfactorily completed on the employee's own time, individual memberships in occupationally related technical and professional associations, and occupationally related registration, certification or license fees. Reimbursements received for completed course work may be reportable income for tax purposes.

The District shall reimburse employees up to a maximum of \$2,000 per calendar year.

The District will make final determination as to work relatedness of classes and appropriateness of payment. Specific procedures regarding this program are outlined in the Employee Handbook.

ITEM 16 - RETIREMENT

16.1 Maintenance of Benefits

The District agrees to maintain the Basic Retirement Plan at the level of benefits described in the Plan and the modifications described in this section and Sections 16.2, 16.3 and 16.4 during the term of the agreement and pay 100% of the Plan costs for eligible employees hired before January 1, 2006. For eligible employees hired January 1, 2006, or after, the District will modify the Basic Retirement Plan as follows:

- Final salary calculation used for pension formula will be Base Salary excluding any other payments such as Overtime, Vacation Payout, etc.
- The standard benefit for calculation will be Single Life Annuity. This eliminates 10, 15, and 20 year certain options.
- The COLA formula will be based on the CPI April 1 of each year up to a maximum of 3%.

An employee's normal retirement date shall be the first day of the calendar month coincident with or next succeeding his/her sixtieth (60) birthday. Employees shall be eligible to receive pension benefits as of the first day of any calendar month in accordance with the following:

- a. Participants hired on or after March 1, 1967, who separate service prior to attaining age 55, having completed at least 5 years of credited service shall be eligible to receive pension benefits upon reaching age 55.
- b. Participants who separate after age 55, having completed at least 5 years of credited service shall be eligible to retire and to receive pension benefits.

Employees who retire having met the conditions described in Paragraph b above, shall be entitled to receive health benefits in accordance with the provisions of Title 15 of this Resolution applicable at the employee's retirement date. Also, employees who retire on or after December 1, 2000, and having met the conditions described in Paragraph b above and their eligible dependents, as defined in the dental and vision plans, shall be each entitled to receive dental and vision benefits until they reach age 65. The retiree shall be responsible for any required deductibles and co-payments.

In the event an employee who has attained 840 months of age and credited service dies while still an employee, and before reaching age 55, the employee's surviving spouse will receive, at the time the employee would have reached age 55, the benefit option selected by the employee or, if no selection had been made, a 100% joint and survivor benefit, adjusted based on the cost of living pursuant to the Pension Plan that the employee would have been entitled to receive.

16.2 Normal Retirement Benefit

Effective January 1, 2006, a Participant's Normal Retirement Benefit shall be a monthly pension payable for life equal to 2.75% of the Participant's Average Monthly Compensation, as defined in the Basic Retirement Plan, multiplied by his/her Years of Credited Service and age.

16.3 Early Retirement Benefit

Effective January 1, 2006, a Participant's Early Retirement shall be a monthly pension payable for life, based on the benefit rate set forth below:

Age at Retirement	Benefit Rate
55	<u>2.00%</u>
56	<u>2.15%</u>
57	<u>2.30%</u>
58	<u>2.45%</u>
59	<u>2.60%</u>
60	<u>2.75%</u>

16.4 Life Payments

Normal and Early Retirement Benefits for Participants hired before January 1, 2006, shall be a monthly pension payable for life, with 120 payments guaranteed. Normal and Early Retirement Benefit, for a Participant hired January 1, 2006 or after, shall be a monthly pension payable for the Participant's life. In no instance shall a Participant receive a monthly pension payment at the time of retirement greater than the employee's Average Monthly Compensation while the employee was employed at the District.

ITEM 17 - DRIVER LICENSE

17.1 Class A Driver License

When an employee's job description requires a driver license beyond a Class C driver license, the District will pay the cost of the physical examination required for the license and provide time during normal working hours, without loss of pay, to obtain the license. The District will reimburse the employee for that portion of the driver license and license renewal fees that are in excess of the Class C driver license and license renewal fees.

17.2 Traffic Citations

The Safety/Training Department will obtain all employee driving records on a yearly basis from the Department of Motor Vehicles. In addition, whenever citations are recorded at DMV on an employee, they will automatically be sent to the District. Employees with DMV citations will have their records reviewed more frequently. This information will be forwarded to the appropriate division manager and Human Resources department and maintained in a confidential manner on an as needed basis.

Employees receiving moving vehicle citations in District vehicles shall report such citations to their immediate supervisor as soon as possible. The supervisor shall inform the department manager and/or the division manager.

ITEM 18- SAFETY

18.1 Prevention of Accidents

The District will make reasonable provisions for the safety of employees in the performance of their work. The District and the Management and Confidential Employees will cooperate in promoting the realization of the responsibility of the individual employee with regard to the prevention of accidents.

18.2 Employee Safety Program

The District will maintain an Employee Safety Program to assure that all District employees are trained. The program shall consist of the following elements: 1) Injury Prevention Plan: A written Plan that defines the District Safety Policy and the training requirements for all employees, both mandatory and optional; 2) The Employee Safety Manual: A manual for each employee that contains all the Safety Rules and Requirements for the District. The District shall inform the Management and Confidential Employees of any proposed new or revised rules; 3) Record- keeping: The District shall maintain a data base of all current employees safety related training and schedule employees for required training to assure that mandatory requirements are maintained. The Risk and Property Department will provide notification to management/supervision of employees who fail to maintain required training/certification current.

18.3 Safety Meetings

Safety Meetings shall be conducted individually by department or by common work location for the purpose of reviewing accidents and preventing their reoccurrence, eliminating hazardous conditions, identifying potential dangers, and familiarizing all employees with safe work procedures and applicable State and Federal Safety Orders. Managers or their designees shall present a specific safety topic and discuss issues with those employees attending the meeting. The Safety Officer will provide technical assistance and subject material for meetings when necessary. Monthly Safety meetings shall be held for the following departments: Meter/Transformer, Substation, Line Construction, Trouble, Service Maintenance, Irrigation Services, Irrigation Construction/Maintenance, Fleet Maintenance, Woodland and McClure Generation Stations, Water Treatment Plant, Meter Readers, Field Service Personnel, Building/Grounds and Material Handling. All other Departments will be required to attend at least two (2) Safety Meetings per year. One meeting will consist of a review of the Injury and Illness Prevention Program, Fire Evacuation Plan, Bomb Threat and Fire Extinguisher Training.

18.4 Walk-Around Inspections

An employee representative will accompany the District safety representative on inspections conducted by state agencies affecting their work area. Any employee or employer's representative shall have the right to discuss safety violations or safety problems with the inspector privately during the course of an investigation or inspection.

18.5 District Inspections

- a. District Safety Officer will make semiannual inspections of all non-electric District properties, all District activities and equipment. The District Safety Officer may be accompanied by a representative of each applicable department who is knowledgeable in the work area. The results of such inspections will be available to District management and Management and Confidential employees upon request.
- b. District safety representatives will make unscheduled safety inspections on a random basis at District facilities and job sites to assure compliance with safety requirements.

18.6 On-The-Job Accidents

It shall be the duty of all officers and employees to make an immediate report of all on-the-job accidents, injuries and illnesses to their immediate supervisor who will notify the department head, the Risk and Property Department and/or the Human Resources Department.

18.7 Fitness for Duty

When there is reasonable suspicion that an employee is unable to safely perform the duties of his/her position, such employee may be required to undergo a medical examination, which may include drug and alcohol testing. All newly hired employees will be required to undergo a medical evaluation, which will include drug and alcohol testing as a condition of employment. Specific procedures of Fitness for Duty are spelled out in the Fitness for Duty Policy adopted by the Board of Directors August 28, 1990 and revised November 13, 2001. The complete policy and procedures is located in Section B32 of the Employee Handbook.

ITEM 19 - CONTINUITY OF SERVICE

19.1 Continuity of Service.

The duties performed by employees of the District as part of their employment pertain to and are essential to the operation of a public utility and the welfare of the public dependent thereon. Employees shall not partially or totally abstain from the performance of their duties including overtime for the District.

ITEM 20 - GRIEVANCE PROCEDURE

20.1 Definition

A grievance is defined as meaning any dispute regarding the application of the following:

- a. Any rules, regulations, policies, or administrative procedures pertaining to the terms and conditions of employment of an employee which are created by resolution of the District's governing board, promulgated by the District's General Manager, or set forth in the Employee Handbook; or
- b. This Resolution.
- c. The discharge, transfer, promotion, suspension, or discipline of an individual employee.

This procedure does not apply to instances of dissatisfaction by employees over their wage rates once such rates have been established by action of the District's Board of Directors.

20.2 Representation

In initiating and prosecuting a grievance, an employee may represent him/herself or be represented.

20.3 Time Limits

The time limits specified below may be extended for a reasonable period of time to a definite date and time by the mutual consent of the involved parties. The failure by the involved employee to meet any specified applicable time limit will constitute a withdrawal of the grievance. The failure by the involved employer representative to meet any specified applicable time limit will entitle the involved employee to take the next step in the grievance procedure.

20.4 Grievance Procedure Steps

Step 1

The employee, or one designated member of a group of employees, will first identify and discuss the grievance with the immediate supervisor. If it is not satisfactorily resolved, then:

Note: The immediate supervisor for the purposes of Steps 1 and 2 shall be the supervisor most immediate to the employee who has the authority to make corrective adjustments to the situation in question.

Step 2

The employee may reduce the grievance to writing and resubmit it to the immediate supervisor within twenty (20) working days after the facts or circumstances giving rise to the grievance are available to the employee. The supervisor will investigate any grievance properly submitted and give a decision on the matter within ten (10) working days from the day the written grievance was received. If it is not satisfactorily resolved, then:

Step 3

The employee may refer the matter to the appropriate Division Manager within ten (10) working days from the day the decision in Step 2 was received. The department head will give a decision on the matter within ten (10) working days from the day the grievance was received. If it is not satisfactorily resolved, then:

Step 4

The employee may refer the matter to the District's General Manager within ten (10) working days from the day the decision in Step 3 was received. The General Manager or his designated representative(s) will promptly schedule and conduct an informal hearing on the grievance and render a decision within ten (10) working days from the day on which the hearing is concluded, or at the request of the employee the General Manager shall appoint an objective and impartial third party to review all aspects of the grievance and make a recommendation to the General Manager.

Step 5

The employee may refer the matter to the District's Board of Directors within ten (10) working days from the day the decision in Step 4 was received. The Board of Directors will thereafter, as soon as the business of the Board will reasonably permit, conduct a hearing on the grievance and render a decision within ten (10) working days from the day on which the hearing is concluded. The decision of the Board of Directors will be final and binding.

20.5 Special Provisions

- a. The employee initiating a grievance will be present during all steps of the procedure except as otherwise agreed by the District and the employee.-
- b. The grievance procedure starting at the fourth (4th) step may also be employed by the District or a management and confidential employee for any matters arising under this Resolution.

ITEM 21 - MISCELLANEOUS PROVISIONS

21.1 Positive Discipline

The Modesto Irrigation District developed a Positive Discipline approach to assist employees in managing their performance and behavior. The complete Positive Discipline policy and program procedures and guidelines are listed in the Employee Handbook Section B12. Positive Discipline recognizes good performance and assures fair treatment of employees when problems arise with job performance. The focus of Positive Discipline is to help employees succeed in doing his or her job well.

APPENDIX A

WAGE RATES

The wages for classifications covered by this Resolution for December 1, 2004 through November 30, 2008, are listed on the following pages titled

Modesto Irrigation District

Grade Rate Schedule - Dec. 01, 2004

Management and Confidential Employees

Grade Rate Schedule - Dec. 01, 2005

Management and Confidential Employees

Grade Rate Schedule - Dec. 01, 2006

Management and Confidential Employees

Grade Rate Schedule – Dec. 01, 2007

Management and Confidential Employees