

SAUSALITO-MARIN CITY SANITARY DISTRICT

RESOLUTION NO. 1010

A RESOLUTION ADOPTING A MEMORANDUM OF UNDERSTANDING BETWEEN THE DISTRICT AND OPERATING ENGINEERS LOCAL UNION NO. 3 PROFESSIONAL / SUPERVISOR UNIT

The Board of Directors of the Sausalito-Marin City Sanitary District, Marin County finds and determines as follows:

Whereas, the District recognizes Operating Engineers Union Local No. 3 (OE3) as the exclusive bargaining representative for Professional / Supervisor Unit employees; and

Whereas, the District and OE3 have bargained in good faith on matters within the scope of representation pursuant to the Meyer-Milius-Brown Act (Government Code Section 3500-3510), and have prepared a draft Professional / Supervisor Unit Memorandum of Understanding (MOU) ; and

Whereas, the OE3 and represented employees have approved and ratified the MOU for a three (3) year term from FY 2014/15 to FY 2016/17, which will take effect upon approval by the Board of Directors; and

Whereas, the Professional / Supervisor MOU is attached and made part of this Resolution.

In consideration of the foregoing finding and determinations,

THEREFORE, BE IT RESOLVED that the District Board of Directors adopts this Resolution to establish and approve the attached MOU between the Operating Engineers Local Union No. 3 and the District for a three (3) year term from FY 2014/15 to FY 2016/17; and

That the District Secretary is directed and authorized to file a copy of said Resolution and distribute as necessary.

* * * * *

I certify that the foregoing Resolution was duly and regularly adopted by the Board of Directors of the Sausalito-Marin City Sanitary District, Marin County, California, at a meeting held on March 16, 2015 by the following vote:

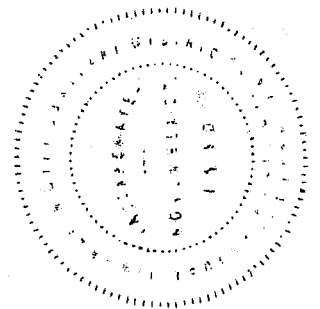
AYES, and in favor thereof, Directors: Arnott, Beers, Delano, Rheiner

NOES, Directors:

ABSTAIN, Directors:

ABSENT, Directors: Ring

(SMCSD Seal)



APPROVED:

Dan Rheiner, Board President

Helen Lei, Board Secretary

MEMORANDUM OF UNDERSTANDING

**Sausalito Marin City Sanitary District
Operating Engineers, Local 3**

Professional/Supervisor Unit

July 1, 2014 - June 30, 2017

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Memorandum of Understanding
Between
Sausalito Marin City Sanitary District
and
Operating Engineers, Local 3
Professional/Supervisor Unit

ARTICLE 1 – DESIGNATION OF PARTIES

- 1.1 Preamble: This Memorandum of Understanding (MOU) is entered into by and between Operating Engineers, Local 3 and the Sausalito Marin City Sanitary District. The MOU is entered into pursuant to the Meyer-Milias-Brown Act (Government Code Section 3500-3510). The District recognizes Operating Engineers Union Local, 3 as the exclusive bargaining representative for the Professional/Supervisor Unit.

ARTICLE 2 – GENERAL PROVISIONS

- 2.1 Term of Agreement: Three (3) year term of agreement. July 1, 2014 through June 30, 2017.
- 2.2 Duration: This MOU shall be effective upon Board of Directors adoption, except for those provisions of the Memorandum of Understanding which have been assigned other effective dates as herein above set forth and shall remain in full force and effect to and including the thirty (30th) day of June 2017 and shall continue thereafter from year to year unless at least one hundred twenty (120), days prior to the first (1st) day of July 2017, or prior to the first (1st) day of July of any subsequent year, either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.
- 2.3 Employer-Employee Rights: Employees of the District shall have the right to form, join and participate in activities of the employee organization of their own choosing for the purpose of representation on all matters of employer-employee relations. Employees of the District also have the right to refuse to join or participate in the activities of the employee organization and shall have the right to represent themselves individually in their employment relations with the District. No employee or their representative shall be interfered with intimidated, restrained, coerced or discriminated against by the District or by any employee organization because of his/her exercise of these rights.
- 2.4 Union Security
- A. Notice of Recognized Union. When a person is hired into a classification represented by Operating Engineers Union Local #3, Sausalito-Marín City Sanitary District shall notify such person(s) that Operating Engineers Union Local #3 is the exclusive recognized bargaining agent for the employees in said representation and provide such person(s) with enrollment materials supplied by the Union for the sole purpose of joining the Union and effecting payroll dues deductions. Sausalito-Marín City Sanitary District will give a written notice to the Union containing the names and addresses of all newly employed

within in the representative unit within thirty days from the beginning of their employment.

- B. Maintenance of Membership. Employees in the represented unit will become members of Operating Engineers Union Local #3 upon the date the Memorandum of Understanding is executed or who become members of the Union during the term of this Memorandum of Understanding except that such employees may withdraw from the Union Membership during the month of July of any year. Employees desiring to revoke his/her membership from Operating Engineers Union Local #3 shall forward a written request to the Sausalito-Marín City Sanitary District General Manager and a letter to the Public Employees Division Director. To be considered, the letter shall be received by the Director of Public Employees Division of the Operating Engineers Union Local #3 within the month of July of any year.

Monthly dues deductions by Sausalito-Marín City Sanitary District shall be made only upon signed authorizations from the employee. The Union will provide payroll deduction cards for employees to be fill out by the employees. Employees may revoke their Union payroll dues deductions in the month of July of any year. The effective date of any revocation of any existing authorization shall be August 1 of any year.

- C. Hold Harmless. Operating Engineers Union Local #3 shall indemnify and hold the Sausalito-Marín City Sanitary District, its officers and employees harmless from any and all claims, demands, suits, or any other action arising from the membership of dues or deductions.

- D. Decertification. Employees may revoke or cancel representation by Operating Engineers Union Local #3 by a vote of 51% of represented employees in any bargaining unit. A vote of revocation or cancellation will become effective on the last day of current Memorandum of Understanding. Employees and Operating Engineers Union Local #3 may by written mutual agreement cancel or revoke employee representation of unit employees at any time during the term of the contract or on the last day of current Memorandum of Understanding.

- E. Dues Deduction. The employee's earnings must be sufficient after all legal and required deductions are made to cover the amount of dues. When an employee is in a non-pay status for an entire pay period, no dues withholding will be made to cover that pay period from future earnings nor will the employee deposit the amount with the District which would have been withheld if the member had been in a pay status during that period. In the case of an employee who is in a non-pay status during only part of that period and salary is not sufficient to cover the full withholding, no deduction shall be made. In this

connection, all other legal and required deductions have priority over Union dues.

Dues withheld by the District shall be transmitted to the officer designated in writing by the Operating Engineers Local #3 Union as the person authorized to receive such funds, at the address specified. At the time the dues are remitted to the Union, the District shall transmit a list containing names, classifications, and rates of pay of employees employed in the classifications represented by the Union. Employees who are no longer in a pay status with the District will be identified with the reason of such status, i.e., leave of absence, resignation, retirement, or termination. Union dues shall *only* be deducted from employee wages after the Union has presented the General Manager with valid dues deduction cards.

2.5 Management Rights:

Except as otherwise specifically provided in this rule or subsequent ones, the District has, and retains, the sole and exclusive rights and functions of management, including, but not limited to, the following:

- A. The right to determine the nature and extent of services to be performed, as well as the right to determine and implement its public function and responsibility.
- B. The right to manage all facilities and operations of the District, including the methods, means and personnel by which the District's operations are to be conducted.
- C. The rights to schedule working hours, allot and assign work.
- D. The right to establish, modify or change work schedules or standards
- E. The right to direct the working forces, including the right to hire, promote, demote, or transfer any employee.
- F. The location of all plants and facilities.
- G. The determination of the layout and the machinery, equipment or materials to be used.
- H. The determination of processes, techniques, methods and means of all operations, including changes or adjustments of any machinery or equipment.
- I. The determination of the size and composition of the working force.
- J. The determination of policy and procedures affecting the selection or training of new employees.
- K. The establishment, assessment and implementation of employee performance standards, including, but not limited to, quality and quantity standards, the assessment and procedures for assessment of employee performances and physical requirements and tests to assess physical requirements, including physical fitness for duty examinations.

- L. The control and use of District's property, material, machinery or equipment.
- M. The scheduling of operations and the determination of the number and duration of shifts.
- N. The determination of safety, health and property protection measures.
- O. The transfer of work from one job to another or from one plant or unit to another.
- P. Introduction of new, improved or different methods of operations, or changes in existing methods.
- Q. The right to demote or relieve employees from duty for lack of work or other reasons deemed legitimate by management.
- R. The rights to reprimand, suspend, discharge or otherwise discipline employees for cause. The judgment of management shall govern except for an abuse of discretion.
- S. The establishment and determination of job classifications.
- T. The right to take such other and further action as may be necessary to organize and operate the District in the most efficient and economical manner and in the best interest of the public it serves.
- U. The exercise of management rights shall not preclude employees or employee organizations from presenting grievances concerning the effect of said action upon the employees; provided, however, the basic right of management to act hereunder or make such decisions is unimpaired. Provided further that all acts of management shall be consistent with this rule or accepted memoranda of understanding.

2.6 District Classification Plan: Refer to District Policy and Procedure Manual

2.7 No Strike, No Lockout

The District and the Union recognize that the public interest requires the efficient and uninterrupted performance of all District services and to this end pledge their best efforts to avoid or eliminate any conduct contrary to this objective. Neither the Union nor the District shall cause, engage in, or sanction any work stoppage, slow down, action in sympathy, or other interference with District functions.

The District shall not constitute any lockout of its employees during the term of this Agreement.

ARTICLE 3 – WAGES

3.1 Wages: See Exhibit A Monthly Base Salary Schedule.

3.2 Salary Adjustments: Effective July 1, 2014, wages for all represented bargaining unit employees shall be increased by 2.75%. 1.2% of that wage increase may occur earlier as further described below. Effective the first payday in July 2015, the wages for the represented bargaining unit employees shall be increased 3.0 %. Effective the first

payday in July 2016, the wages for the represented bargaining unit employees shall be increased 3.0%.

Effective upon approval of the MOU by the Board, employees shall receive a 1.2% of the salary increase described above to address employee paid EPMC CalPERS contribution. Employees shall reimburse the District 1.2% retroactively to July 1, 2014.

New Members, as defined by PEPR, as not eligible to receive EPMC from the District and are excluded from the 1.2% reimbursement.

Note: Resolution 989 sets the minimum annual salary increase for employees in the unit for the time period described in the resolution. The negotiated salary increases described in this section exceed that amount during the period of the MOU.

ARTICLE 4 – HOLIDAY LEAVE

4.1 Holidays: The following holidays are observed by the District:

January 1	(New Year's Day)
Third Monday in January	(Martin Luther King Day)
Third Monday in February	(President's Day)
Last Monday in May	(Memorial Day)
July 4	(Independence Day)
First Monday in September	(Labor Day)
November 11	(Veterans' Day)
Fourth Thursday in November	(Thanksgiving)
Fourth Friday in November	(Day after Thanksgiving)
December 25	(Christmas)

In addition to the aforementioned holidays, each employee shall have three (3) floating holidays (24 hours) per fiscal year as paid holidays, provided that a new employee or an employee who leaves the service of the District will receive three (3) floating holidays during the employee's year of employment on a pro rata basis (e.g. six (6) months of employment entitles the employee to 1.5 floating holidays). Upon resignation or retirement of an employee, the employee will be paid a lump sum for all floating holiday leave earned but not used on a pro rata basis; or if floating holiday usage has exceeded that earned, an equivalent value of the excess usage will be deducted from the employee's last paycheck. An employee may not accumulate floating holidays, i.e., the balance on June 30 each year shall be zero. All floating holidays shall be credited to employees on the first payroll of the fiscal year in early July.

Employees necessary to maintain public safety or emergency services shall be required to work on holidays.

When a holiday falls on Sunday, the following Monday shall be observed as the holiday. When a holiday falls on a Saturday, the previous Friday shall be observed as the holiday. The holiday schedule shall be determined by the Operations Superintendent or General Manager with due regard for the wishes of the employee and particular regard for the needs of the District. Paid holidays shall be granted only to

probationary and regular employees. Part time employees shall not be entitled to paid holidays.

ARTICLE 5 – LEAVE OF ABSENCE

5.1 Vacation:

All full-time, probationary and regular employees shall accrue vacation credits at the rate of 5/6 working days per month (10 working days per year), determined from the date of initial employment with the District. After completion of the third year of employment, vacation credits will be earned at a rate of one and one-quarter (1-1/4) working days per month (15 working days per year). After completion of the tenth year of employment, vacation credits will be earned at a rate of one and two thirds (1- 2/3) working days per month (20 working days per year). After completion of the twentieth year of employment, vacation credits will be earned at a rate of two and one twelfth (2-1/12) working days per month (25 working days per year). After completion of the thirtieth year of employment, vacation credits will be earned at a rate of two and one half (2-1/2) working days per month (30 working days per year).

Only probationary and regular employees shall be entitled to accrue vacation leave. Part-time employees shall not be entitled to accrue vacation leave.

An employee shall be initially required to work six months in order to be eligible to use accrued annual vacation leave. Employees terminating before six months of service will receive vacation pay on a pro rata basis.

It is the policy of the District that employees take their vacation each year; provided, however, that for reasons deemed sufficient by the General Manager, an employee may take less than the accrued vacation one year, with a corresponding longer vacation the following year. In the event an employee is not able to take all of the vacation to which s/he is entitled in a calendar year, s/he may accumulate vacation and carry it over into the next year up to a maximum of one previous year's vacation as of June 30th of any year. If an employee's vacation has been deferred due to requirements of the District service, the General Manager may exercise his or her discretion to approve an increase in the maximum amount of vacation that the employee may accumulate.

The times during which an employee may take vacations shall be approved by the General Manager and scheduled by April 30th of each year with preference for vacation time given according to seniority; provided that if the requirements of the District service are such that part or all of an employee's vacation must be deferred beyond a particular calendar year, the employee may take the vacation during the following calendar year. The vacation scheduling shall be at the discretion of the Operations Superintendent or General Manager. Review of requests will be made with due regard for the wishes of the Employee and particular regard for District needs. Vacation and personal leave shall be prioritized, based on seniority. Once the schedule is set, it can only be changed by the mutual agreement of all involved parties and at the discretion of the Operations Superintendent or General Manager.

Once an employee reaches his or her maximum accumulation, no more vacation will be earned until an equal amount of accumulated vacation is used.

A holiday that occurs or a sick leave day that is used during an employee's vacation shall not be charged as vacation.

Upon the termination of an employee's service with the District, s/he shall either be granted time off or be paid a lump sum for all authorized accrued vacation that s/he has earned, provided that the employee has been in the service of the District for more than six months.

5.2 Vacation Sellback: Employees are allowed a maximum sellback equal to the number of vacation days taken in the previous or current fiscal year up to a maximum of ten (10) days in any fiscal year.

5.3 Sick Leave: Every person who has been employed by the District continuously for six months and receives a regular appointment shall be entitled to receive one working day of sick leave with pay for each full calendar month of regular full-time employment. Employees shall accrue sick leave credit dating back to their first day of employment.

Sick leave may be taken for:

- A. An employee's illness or injury. Satisfactory proof of the necessity for sick leave shall be furnished when requested, in the form of a doctor's certificate, certifying that the employee is unable to perform his/her regular duties. The District may, at its sole discretion and expense, require an additional certificate from a doctor selected by the District, certifying that the employee is unable to perform his/her regular duties.
- B. A non-exempt employee's dental, eye or other physical or medical examination or treatment by a licensed practitioner. Leaves for this purpose may be limited to four hours in any one working day and should be scheduled so as to minimize any interference with the employee's workday and the District's operations.
- C. Providing necessary care for an ill or injured member of the immediate family. The District may require a doctor's statement or a personal affidavit indicating that the employee's presence was required.
- D. Bereavement leave for immediate family (As defined under FLMA).
- E. There shall be no limit to accrual of unused sick leave.
- F. Upon termination of employment there will be no pay-out of unused sick leave.
- G. In the event an employee on sick leave is entitled to Workers' Compensation benefits, such benefits will be integrated with sick leave.
- H. Absences due to work-related injury or illness are covered by Workers' Compensation benefits described in the District's Personnel Rules.

Sick leave will not be allowed while on vacation unless notification of the sick leave is received at the time the sick leave is taken. Such sick leave shall be verified by an

appropriate doctor's certification if so directed by the Operations Superintendent or General Manager.

- 5.4 Medical Disability Leave: The District shall provide Medical Disability Leave in accordance with the Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

- 5.5 Personal Leave of Absence:

At the discretion of the General Manager, personal leaves of absence may be granted. Each request will be given consideration based on individual circumstances and the impact on the operation of the District. While on personal leave the employee will not earn vacation or sick leave, and the employee's salary step increase review date will be adjusted accordingly. However, the employee will be eligible for insurance coverage and District premium payments will be made in accordance with terms of the insurance plans, the Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

- 5.6 Military Leave:

Military leave shall be granted in accordance with applicable provisions of federal or 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.

An employee who is a member of an Armed Forces Reserve Unit, the National Guard or the Naval Militia, shall be granted leave of absence while engaged in military duty, including time involved in going to and from such duty, provided such period of leave does not exceed 180 calendar days or any longer period required by law. Employees who have been employed by the District for a period of not less than one year immediately prior to the day on which the absence for such leave begins shall continue to receive their full salary for the first thirty (30) days of such leave taken for purposes of active military duty. Leave for inactive military reserve duty (i.e., monthly weekend drills) will be granted on an unpaid basis. If an employee is called for inactive duty on any days during which he or she is scheduled to work for the District, the District will make reasonable attempts to adjust the employee's work schedule so that s/he will serve the inactive duty on his or her own time. If a scheduling conflict cannot be avoided, the leave for inactive duty will be on an unpaid basis, unless the employee elects to use any available accrued vacation time.

Employees who leave their positions due to induction into the Armed Forces of the United States, shall be re-employed in accordance with the federal Vietnam Era Veterans' Readjustment Assistance Act and California Military and Veterans Code, Section 395.1. To qualify for re-employment, the District must receive a re-employment application and the former employee must resume service within the time periods required by law. Employees who leave the District's employ due to such military service, should consult the General Manager for information regarding the circumstances under which they may be re-employed.

5.7 Jury Duty or Court Witness Leave:

An employee who is required or subpoenaed to serve as a trial juror or as a witness at trial in a civil or criminal action to which s/he is not a party shall inform his/her Operations Superintendent or the General Manager. While on jury duty or serving as a witness s/he or she shall be entitled to be absent from his or her duties with the District during the period for such service or while necessarily being present in court as a result of such call. Under such circumstances, the employee shall be paid his or her full salary and the payment received by him or her for his or her services as provided by law, including travel and meal allowance for such duty.

- 5.8 Catastrophic Leave Program: The District shall continue its existing leave practice to address bargaining unit employee situations that warrant catastrophic leave accommodations on an as needed basis.

ARTICLE 6 – INSURANCE

6.1 Medical Coverage:

Upon employment with Sausalito-Marin City Sanitary District eligible employees will be covered by the Public Employees Retirement System (CalPERS). The District has entered into a contract with CalPERS to provide a specified set of benefits. Additional information is available at the District office as to the exact set of eligible benefits for employees. The option for medical coverage includes the CalPERS' sponsored plans described in the Basic Health Plan booklet published by CalPERS, copies of which are available in the District's Office.

The District shall pay the Bay Area Kaiser Plan Rate (Kaiser Bay Area Region Basic/Supplemental Plan Rate) for active employees and retirees. Employees may select other qualified plans (Blue Cross, Blue Shield) and pay the difference between their selected plan and the Bay area Kaiser Plan (Kaiser Bay Area Region Basic/Supplemental Plan) based on their category of coverage (single, married, family). The plan rates used by the District are published annually by CalPERS. Current 2015 monthly rates paid by District for categories as follows: Single \$714.45, Married \$1428.80, Family, \$1857.57.

During the initial open enrollment period, an employee may enroll in any medical coverage plan for which the employee is eligible (employee only, employee plus one dependent, or employee plus family). Eligible dependents are the employee's spouse, registered domestic partner and children up to age 26 who have never been married. A certified disabled child age 26 and older who is incapable of self-support because of a physical or mental condition may be eligible for enrollment based on the CalPERS health care program guidelines.

At termination of employment, employees may continue in the same health plan for a period of 18 months under COBRA at their own expense.

- 6.2 Dental and Vision: All eligible employees and eligible dependents must enroll in the dental plan currently offered by the District. District covers the cost of the VSP provided vision plan. Eligible dependents are the employee's spouse, unmarried children to age 19 or to age 24 if enrolled as a full-time student or unmarried children over 19 years of age who are incapable of self-support because of physical or mental disability which commenced prior to age 19. The District is covered by Delta Dental Plan of California. All full-time employees are enrolled. The District pays the full premium for employees and their dependents. Orthodontic Benefits for employee's dependent children only is offered through Delta Dental of California, County of Marin – Group E2.

At retirement or termination of employment, the District ceases to pay the premium. Employees may choose to continue coverage for a limit of 18 months by making payment directly to Delta Dental Plan of California.

- 6.3 Opt - Out of District Medical Coverage:

Annually, upon open enrollment, eligible bargaining unit employees shall receive \$350.00 per month if they opt-out of and waive the District provided medical insurance benefit. Proof of other coverage must be provided to the District as required by the CalPERS medical plan.

- 6.4 Life Insurance:

All eligible employees must enroll in the basic group life insurance program offered by the District. Insurance coverage is offered by the District with eligibility determined by the insurance company. Life insurance coverage is equal to one time annual earnings rounded down to the next even \$1,000 with a minimum coverage, for full time employees, of \$10,000, and a maximum of \$50,000.

Premiums are paid in full by the District. Coverage ends at retirement or termination of employment.

- 6.5 Disability Insurance:

Short-Term & Long-Term Disability Insurance

The District through its insurance carrier provides short and long-term disability insurance. For short-term coverage the District covers 25% of the plan cost and the Employees cover 75% of the cost. The District provides the full cost of the long-term disability insurance.

ARTICLE 7 – OTHER BENEFITS

- 7.1 Deferred Compensation Plan: The District contributes 1.5% of base salary toward the employee's selected deferred compensation plan. Employees may select from the approved District available plans (currently Mass Mutual and CalPERS).

7.2 Social Security and Medicare: The District participates in Social Security and Medicare.

7.3 Retirement System (CalPERS):

This Article applies to all District bargaining unit employees and retirees.

The District will provide benefits according to contracts with California Public Employee Retirement System (CalPERS)

7.4 CalPERS Classic Members:

"Normal retirement age" is age 55. All employees belong to CalPERS are subject to all provisions of CalPERS law. Benefits available to all District employees who retire after the effective date of this procedure are as specified in the amendment to the contract between the District and PERS, dated October 6, 2003. Optional provisions include:

- A. 2.7% @ 55 supplemental formula at retirement
- B. Government Code, Section 20024.2 (One Year Final Compensation)
- C. Government Code, Section 21361.5 (Local System Service Credit Included in Basic Death Benefit)
- D. Government Code, Section 20862.8 (Credit for Unused Sick Leave)
- E. Government Code, Section 20615.5 (Employer Paid Member Contribution Converted to Payrate During the Final Compensation Period).

7.5 CalPERS New Members:

The California Public Employees' Pension Reform Act (PEPRA) became effective January 1, 2013. Applies to District employees that are "New Members" to CalPERS as defined by PEPRA:

- A. 3-Year Final Compensation period.
- B. 2% @ 62 Supplemental formula at retirement.
- C. New Members shall pay a member contribution equal to 50% of the normal cost of their retirement benefit.
- D. New Members are not eligible to receive EPMC from the District.

7.6 Medical Insurance After Retirement:

The Sausalito-Marín City Sanitary District eligible retirees will be covered by the Public Employees Retirement System (CalPERS) health care plan as specified per District policy. For employees hired before July 2004, the District will continue to provide the employee and the employees' dependents with (100%) post-employment medical insurance under the PERS medical insurance program if the employee actively retires from SMCSO employment. Once the retiree is eligible for Medicare, the District will fund the supplemental medical insurance for the retiree and the retiree's spouse. Such benefits shall be integrated with Medicare for the rest of the retiree's

lifetime. Retiree and spouse are responsible for payment of their Part A Medicare premium. Survivor's eligibility for benefits is governed by PERS law.

For employees hired after July 2004, the District will continue to provide the employee's PERS medical insurance as specified by the Public Employees Medical and Hospital Care Act (PEMHCA) if the employee actively retires from the District with PERS retirement, is at least 55 year of age, has been a full-time employee and has a minimum of five (5) continuous years of qualifying SMCSO employment. As indicated in the vesting schedule, the District will pay for both the employee and eligible dependents based on the PEMHCA program vesting schedule for credited years of PERS service. An employee will be eligible to receive 50% of health care costs covered after 10 years of credited PERS service. The benefit will increase 5% per year, reaching 100% after 20 years of service.

The District contribution is prorated based on years of PERS service up to a maximum of one hundred percent (100%) of the health benefits plan premiums for employees plus ninety percent (90%) for eligible dependents. The District contribution amount is based on the PERS health benefits plans which have the largest number of enrollments during the year to which the formula is applied, but not more than one hundred percent (100%) of employees' premium.

Once the retiree is eligible for Medicare, the District will fund the supplemental medical insurance for the retiree and the retiree's spouse. Such benefits shall be integrated with Medicare for the rest of the retiree's lifetime. Retiree and spouse are responsible for payment of their Part A Medicare premium. Survivor's eligibility for benefits are governed by PERS law.

7.7 Employer Paid Member Contribution (EPMC):

All bargaining unit employees will reimburse the SMCSO for their required member contributions as a gross salary payroll deduction subject to 414(h) (2) on a tax-deferred basis to the extent allowed by Federal and State law. The cost sharing arrangement is applicable to all active employees and any new employees that are "Classic" CalPERS members. The cost share arrangement excludes "New Members" as defined by the California Public Employees' Pension Reform Act (PEPRA).

Each bargaining unit employee who is not a "New Member" as defined by the California Public Employees' Pension Reform Act (PEPRA), will reimburse the District for the EPMC contribution as a 1.2 percent gross salary payroll deduction, effective FY 2014/15.

Each bargaining unit employee who is not a "New Member" as defined by PEPRA, will reimburse the District for the EPMC contribution per the payment schedule below as a total gross salary payroll deduction, effective July 1 of each fiscal year.

Fiscal Year 2014/15	3.2%
Fiscal Year 2015/16	4.4%
Fiscal Year 2016/17	5.6%
Fiscal Year 2017/18	6.8%
Fiscal Year 2018/19	8.0%

Each bargaining unit employee who is a "New Member" as defined by the PEPR shall pay a member contribution equal to 50% of the total normal cost of the PERS benefit. New Members are not eligible to receive EPMC from the District.

ARTICLE 8 – STANDBY

8.1 Standby Duty:

Operation and Maintenance employees may be on standby duty. Participation is voluntary, but if at any time there is no voluntary coverage, the standby duty will be rotated among operators on a weekly basis. This duty may be traded upon mutual consent of individuals involved and the approval of the Operations Superintendent Supervisor or General Manager.

The standby employee is on standby during all 'non-working hours', 3:30 PM to 7:00 AM Monday through Friday ("weekdays"), Saturdays, Sundays ("weekend days") and holidays. The standby person may be called upon to assist personnel working alone on shift (weekend days and holidays). The use of standby is at the discretion of the General Manager or his/her designee, who will establish annual estimated schedule by December 1 of each year.

Employees on standby duty shall not be under the influence of alcohol or drugs as described in the District's Drug and Alcohol Testing and Reporting Standard Procedure, "Prohibited Conduct" section of the policy statement.

8.2 Standby Pay:

The standby employee shall carry a pager and a cellular phone and any additional equipment necessary to respond to all calls from pump stations or the plant.

Standby employees shall receive a minimum of two hours overtime compensation for every response to a call. Overtime pay is compensated at 1.5 time regular pay, therefore 2 hours minimum overtime equals 3 hours pay. The door to door time shall be used to calculate actual time for overtime if it exceeds the two hour minimum. Employees shall

have the choice to take the compensation for responses to calls as compensatory time or overtime pay.

An employee on standby during the week shall be compensated during standby at the rate of thirty dollars \$30 per day. An employee on weekend standby will be compensated during standby at the rate of sixty dollars \$60 per weekend day. An employee on holiday standby will also be compensated sixty dollars \$60 per holiday. The District reserves the right to change the standby compensation at any time at the District's sole discretion, and compensation will be reviewed at least every three years by the General Manager and operations and maintenance personnel. Employees may choose to take compensation as compensatory time at the rate of 1.5 hours per weekday and 2.25 hours per weekend day and holiday and 3.75 for weekend 24-hr. and holiday's.

The standby employee will be reimbursed for personal vehicle mileage incurred as a result of responses to calls. Reimbursement will be made based on the current mileage allowance provision of the IRS. When employees use their personal vehicle, their insurance is primary if involved in an accident and the employee is responsible for any deductible expense.

ARTICLE 9 – HOURS OF WORK

- 9.1 Hours of Work: District offices shall be open for business on all days of the year except Saturdays, Sundays, and holidays at times designated by the General Manager, unless otherwise specified by the Board. Operations which require a different schedule from the above schedule shall work according to regulations specifically approved by the Operations Superintendent or General Manager. Normal duty hours for plant personnel are eight (8) hours per day with a thirty (30) minute unpaid lunch. The hours of employment for full-time employees shall be forty (40) hours per week. The General Manager and Operations Superintendent are expected to remain on duty, without additional compensation, for whatever number of hours may be necessary for the proper operation of the District and its facilities. All other employees are to receive time and one-half pay for overtime. All hours worked on a holiday will be paid at one and one-half pay. The hourly rates for full-time employees are based on 173.33 (52 weeks times 40 hours divided by 12) hours average.

9.2 Hours of Work – Shift and Weekend Operations:

The district office is open from 8:00 AM to 4:30 PM Monday through Friday. The treatment plant facility hours of operation are Monday through Sunday 7:00 AM to 3:30 PM. The General Manager may authorize modified work schedule to support facility operation which may include weekend shift work.

Employees will participate in a standby program as set forth in administrative regulations promulgated by the General Manager. Because of the nature of the consequences involved in an operating failure in the District's treatment plants, pumping stations and collection system, it is necessary that a qualified District

employee be available during all non- working hours to receive and respond to emergency calls from the public.

Night shift and swing shift shall be determined by the General Manager.

An employee on standby shall be compensated during standby at a rate established by the District.

- A. To meet emergency and standby requirements, standby program employees must reside within a radius that enables the employee to respond to the Sausalito plant facility within one hour time frame.
- B. Because of the possibilities for gas leaks in and around District facilities, and because of the need for District employees to enter confined spaces, as defined by State and Federal safety regulations, it is necessary that District operations and maintenance personnel be trained and able to utilize self-contained breathing apparatus (SCBA) in the event of an emergency or in the event of planned maintenance or repairs in a confined space.

Operations and maintenance personnel shall comply with the regulations set forth by the District including, but not limited to, annual physical examinations, facial hair requirements related to safe use of face masks, abilities and competency in the use of SCBA gear and other safety equipment.

- 9.3 Breaks and Lunch: Employees shall be allowed a rest period of 15 minutes during each four consecutive hours of work. Such rest periods shall be scheduled in accordance with District requirements. A thirty (30) minute, unpaid lunch period shall be provided as designated by the District Operations Superintendent or General Manager at approximately the middle of the shift.

The District may designate the location or locations where rest periods may be taken. An employee may occasionally be required to perform duties, if necessary, during his/her normally scheduled rest period. In such circumstances the employee upon completing his/her work task shall receive the remainder of the interrupted rest period.

- 9.4 Overtime: Overtime and weekend work shall be offered to and rotated among the plant operators as equally as possible. Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leaves. An employee whose regularly scheduled work day falls on a paid holiday and who is required to work the holiday will receive holiday pay at one and one-half times the employee's regular rate of pay; plus the employee is entitled to receive one (1) paid eight (8) hour day off.

The General Manager and the Operations Superintendent shall enforce attendance requirements and shall keep attendance records of employees. The District's time records are maintained in the District's main 'office. Any absence from work without prior authorization as provided for in these rules or administrative guidelines shall be the basis for discipline or discharge.

The hours of employment for full-time employees shall be forty (40) hours per week. The General Manager and Operations Superintendent are expected to remain on duty, without additional compensation, for whatever number of hours may be necessary for the proper operation of the District and its facilities. All other employees are to receive time and one-half pay for overtime. All hours worked on a holiday will be paid at one and one-half pay.

The hourly rates for full-time employees are based on 173.33 (52 weeks times 40 hours divided by 12) hours average.

Overtime shall be that time authorized by the Operations Superintendent or General Manager and worked by an employee beyond forty hours per week or eight hours per day, unless an alternative workweek schedule with workdays in excess of eight hours has been agreed to. In the case of an alternative workweek schedule with workdays in excess of eight hours, overtime shall be that time worked by an employee beyond forty hours per week and the number of hours per day designated in the alternative workweek schedule.

All overtime shall be paid for in accordance with the Fair Labor Standards Act. Eligible employees may elect to accrue compensatory time in lieu of overtime pay. Employees shall make a choice, on the first regular workday, of (a) the payment of overtime or (b) the accrual and use of compensatory time off. Compensatory time off will be taken with the approval of the Operations Superintendent or General Manager.

- 9.5 Compensatory Time: Compensatory time off shall be accrued at the same rate as the actual authorized overtime worked by the employee.

Employees may accrue compensatory time in excess of eighty (80) hours during the fiscal year from one fiscal year to the next; however, accrued compensatory time off balances may not exceed eighty (80) hours. Employees must cash out compensatory time in excess of 80 hours prior to July 1 of each fiscal year.

Overtime shall be kept at the minimum consistent with maintenance and operation of essential District services.

The General Manager may designate certain classes as exempt from the overtime requirements of state and federal law and therefore ineligible for compensation for overtime.

Upon the termination of an employee's service with the District, the employee shall either be granted time off or be paid a lump sum for all authorized accrued overtime (not to exceed eighty hours) s/he has earned in accordance with these Rules.

ARTICLE 10 – INCENTIVES

- 10.1 Certificate Bonus: Treatment Plant Operators who obtain their Grade III, IV, or V Certification shall receive a one-time payment of Seven Hundred Fifty Dollars (\$750.00). Certification in Wastewater Treatment Plant Operation is obtained from the California State Water Resources Control Board.

Upon budget approval by the District Board and prior approval by the General Manager, an employee shall be reimbursed his/her tuition charges upon satisfactory completion of a training course which is considered beneficial to the District. Tuition costs will be withheld from the final wages of an employee leaving for any reason within one (1) year of completion of course. Participation in and successful completion of special training courses may be considered in making advancements and promotions. Evidence of such activity shall be filed with the General Manager.

- 10.2 Training: Authorization may be granted for employees to attend professional conferences and meetings, or to participate in some form of activity or training in the interest of the District. Upon budget authorization, such leave may be granted by the General Manager for one day, or by the District Board for more than one day.

Reimbursement of expenses incurred shall be made in accordance with established financial procedures of the District, within limits prescribed by the District Board.

The District shall pay all fees related to all certificates and licenses required in connection with District employment, including Class B California State Drivers Licenses and UST Operator. Class C Drivers Licenses shall be excluded. The District shall compensate employees designated to be Class B drivers at a rate established by the District and in accordance with administrative regulations promulgated by the General Manager.

- 10.3 Certification Incentive Program: Based on classification, some bargaining Unit employees are eligible to participate in this program. This program is designed to provide compensation for employees who obtain and maintain varied and higher levels of technical certification above their job requirements. A maximum of 10% may be approved for over-certification status under this program for selected classifications.

- 10.4 Safety Incentive: A semi-annual lunch shall be provided in April and October at the District facility or a local restaurant (approved by the General Manager) if there are no lost time injuries during the periods of April to October and October to April of each year.

- 10.5 Safety Equipment:

Effective January 2015, and every other year thereafter, during the term of this agreement, the District shall contribute up to \$305.00 per eligible employee for prescription safety glasses.

All operations, maintenance, engineering and laboratory personnel shall wear hard toed shoes, suitable to protect the feet from falling objects. The District will annually reimburse these employees up to an amount of \$243.40 each towards the cost of safety shoes. The safety shoe cost allowance shall be adjusted annually using the CPI for all urban consumers in San Francisco-Oakland-San Jose, CA.

10.6 Cell Phone Allowance:

Effective January 2015, and every other year thereafter, during the term of this agreement, the District shall compensate employees in the Professional/Supervisors Unit \$480.00 as cell phone reimbursement. The District will continue to require employees to use personal cell phones during working hours.

10.7 Personal Vehicles:

If an employee used his/her personal vehicle on District business and does not receive a car allowance, he/she will be reimbursed at the standard IRS rate. Personal vehicle usage must be authorized by the General Manager to be eligible for reimbursement. When employees use their personal vehicle, their personal automotive insurance shall serve as the primary coverage. If employee is involved in an accident the employee is responsible for any and all terms and deductibles as outlined in their personal automotive policy.

ARTICLE 11 – PROBATION

11.1 Probation:

A person appointed or promoted to a position in the classified service shall be on probation in the position for at least twelve months after assuming it. The District may exercise its discretion to increase the length of the probationary period.

While thus on probation, a person may:

- A. If in a position to which s/he has not been promoted, be dismissed at any time;
- B. If in a position to which s/he has been promoted, be reinstated at any time to the position from which the promotion elevated him or to a comparable position.

Any employee in which action indicated in A or B above has been affected, shall have no right of appeal.

Any employee who successfully completes a probationary period shall achieve regular status in his/her class and shall be known as a regular employee.

All District employees must possess a valid California motor vehicle driver's license and maintain a good driving record consistent with requirements from time to time established by the General Manager to protect the District's insurability under its insurance liability policies. Failure to possess a valid California motor vehicle driver's license and maintain an acceptable driving record shall be cause for termination with no right to appeal.

ARTICLE 12 – TEMPORARY OUT OF CLASSIFICATION ASSIGNMENT

12.1 Temporary Out of Classification Assignment:

Temporary promotion of classified employees to perform the job duties of a higher classification or to act in a supervisor's absence will be compensated as follows:

- A. Employees may be assigned to perform a job in another higher classification (out of class pay) during an approved leave (vacation or sick) or permanent absence of an employee which extends for a period of three (3) consecutive days or more. Assignment must be made in writing by the Operations Supervisor and approved by the General Manager. Compensation shall be 5% of the employee's salary or the first step of the pay range of the higher classification whichever is greater. Advance approval of the General Manager or designee is required before employee receives assignment.
- B. Employees may be assigned to perform the full range of responsibilities of a supervisory position in addition to their own workload during an approved leave (vacation or sick leave) or permanent absence of a supervisory position which extends for a period of three (3) consecutive days or more. Assignment must be made in writing by the General Manager. Compensation shall be 5 % of the employee's salary or the first step of the pay range of the higher classification whichever is greater. Advance approval of the General Manager or designee is required before employee receives assignment.
- C. The method of selection of employees to perform work in a higher classification shall be through a system of voluntary rotation in order of seniority commencing with the most senior qualified eligible employee.

ARTICLE 13 – LAYOFFS

13.1 Reduction in Workforce:

The Board may layoff an employee of the District upon 15 days written notice because of material change in duties or organization or shortage of work or funds. The District will provide a minimum of 2 weeks' salary as severance, not including the 15 days written notice. An employee who is laid off from the District, whose performance evaluation demonstrate that they had at least satisfactory service during their tenure with the District shall be placed on an reemployment list for 6 months after their separation from service due to layoff. Employees on the reemployment list shall be offered employment with the District in the same order of their placement on the reemployment list.

ARTICLE 14 – DISCIPLINARY ACTIONS

14.1 Discipline:

The General Manager may suspend, demote, reduce in pay or discharge any regular employee for just cause. An employee is entitled to Union representation in accordance with the Weingarten and Skelly Hearing in discipline cases.

ARTICLE 15 – GRIEVANCE PROCEDURE

15.1 Grievance Procedure: Refer to District Policy and Procedure Manual

ARTICLE 16 – HEALTH AND SAFETY

16.1 Health and Safety:

The District shall comply with all applicable federal and State of California health and safety regulations as they apply to District work.

ARTICLE 17 – EMPLOYEE RIGHTS

17.1 Union Membership Meetings:

Upon General Manager Approval and District meeting space availability, union members shall have the right to have two (2) hour quarterly meetings before or after regular business hours.

17.2 Bulletin Boards: The Union may use a designated District bulletin board under the following conditions:

- Posting of all materials must receive the approval of the Union Stewards
- All materials must be dated and must identify the organization that published them.
- The actual posting of materials shall be done by the employee's organization representative after they have been approved. Unless special arrangements are made, materials posted will be removed thirty-one days after the publication date.
- Materials that are untruthful shall not be posted.
- The District has determined where bulletin boards shall be placed and a reasonable portion of them is to be allocated to OE3 materials.
- An employee organization that does not abide by these rules shall forfeit its right to have materials posted on District bulletin boards.

17.3 Access to Work Locations:

Reasonable access to employee work locations as determined by the District shall be granted to officers of the Union and their officially designated representatives, for the purpose of processing grievances or contacting members of the organization concerning business within the scope of representation. The officers or representatives shall not enter any work locations without proper notification to the designated representative of the District. Access shall be restricted so as not to unduly interfere with the normal operations of the District or with established safety or security regulations.

ARTICLE 18 – REASONABLE TIME OFF TO MEET AND CONFER

18.1 Reasonable Time Off to Meet and Confer:

Bargaining unit members may elect two (2) Union Stewards who shall restrict their activities to the processing of grievances and shall be allowed a reasonable amount of time for this purpose. The Union stewards shall obtain permission from their supervisor before leaving their workstations. If the District determines that the

Stewards are abusing this provision; the Union agrees to meet with the District, immediately, to investigate the District's complaint and to ensure full compliance by the Steward with the provisions of this section.

ARTICLE 19 – SEPARABILITY

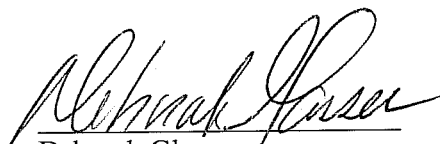
- 19.1 Separability: If any Federal, State or Court Jurisdiction voids part of the agreement, the remaining parts shall still be in effect for the term of the agreement.

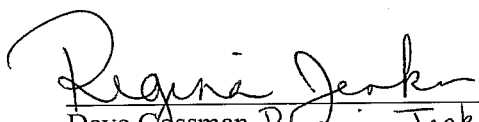
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Dated: _____, 2015

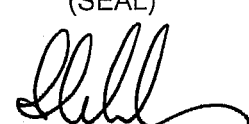
For the District:

For the Professional/Supervisor Unit:


Deborah Glasser
District Chief Negotiator


~~Dave Gossman~~ Regina Jenkins
Operating Engineers, Local 3 Chief Negotiator


Dan Rheiner
Board President

(SEAL)

Helen Lei, Board Secretary

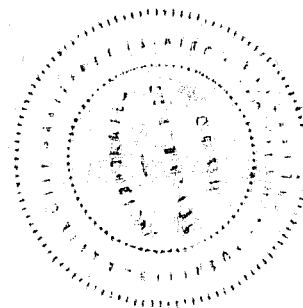


Exhibit A: Monthly Base Salary Schedule

EXHIBIT A

Sausalito-Marin City Sanitary District

MONTHLY BASE SALARY SCHEDULE (in dollars) - Confidential and Represented Employees (OE3)
Effective July 1, 2014 Resolution No. 1010 Dated March 16, 2015

STEPS	9/2/2013 Reso. 989	A	B	C	D	E	F *	G *	H *	I *
Associate Engineer ^{P/S}	7990	8210	8620	9051	9504	9979	N/A	N/A	N/A	N/A
Assistant Engineer ^{P/S}	6719	6904	7249	7611	7992	8392	N/A	N/A	N/A	N/A
O&M Supervisor ^{P/S}	7101	7296	7661	8044	8446	8869	N/A	N/A	N/A	N/A
Lab Director ^{P/S}	6867	7056	7409	7779	8168	8576	8791	9005	N/A	N/A

1. Per Board approval of the Certification Incentive Program on April 4, 2011. Incentive pay is approved at 2.5% increments for each technical certificate above what is required under the job classification up to a maximum of 10% for four technical certificates.
 2. For Steps A through E of the salary schedule, certification incentive pay is available from 0% up to a max of 10% for certain classifications. For example, an employee at Step A who has two certifications, or a 5% incentive pay, will be placed at Step B of the classification salary range. Also for example, an employee at Step A who has one certification, or a 2.5% incentive pay, will be placed at a salary between Step A and Step B.
- * Steps F through I reflect possible technical certification incentive pay above the top step for each classification based on the approved certifications for each classification. For example, a classification that shows Step F and G above the top Step E means this classification has two possible incentive certifications up to 5%. Each Step F through I is set at 2.5% increments for a maximum of 10% for certain classifications as indicated.

P/S = Professional / Supervisor OE3 Unit