

Memorandum of Understanding

«Name»

«Title»

and

Contra Costa Water District

October 3, 2011– October 2, 2012

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MEMORANDUM OF UNDERSTANDING

PREAMBLE

This **MEMORANDUM OF UNDERSTANDING** is made and entered into between the Contra Costa Water District, hereinafter referred to as "District," and «Name», hereinafter referred to as "Employee," pursuant to California Government Code §3500 et seq., and the Contra Costa Water District's Employer-Employee Relations Policy (Regulation No. 3.16).

The parties have reached agreement on terms and conditions of employment during the period commencing October 3, 2011 unless otherwise modified consistent with the provisions herein.

ARTICLE I. EMPLOYMENT STATUS

The Employee is appointed by and serves at the pleasure of the General Manager. This "at-will" status cannot be modified except in a written agreement signed by the General Manager. If the District policies or procedures pertaining to all employees have provisions that appear to supersede "at-will" status, then the "at-will" status will prevail.

ARTICLE II. GROUP INSURANCE BENEFITS

The District agrees to provide the following group insurance benefits during the term of this agreement:

A. Medical/Hospitalization Insurance

The District will contribute up to the Kaiser Health Plan full family cost ("S" 1 coverage) toward the Employee's medical/hospitalization insurance during the term of this agreement.

B. Dental Insurance

The District will provide fully paid dental insurance for the Employee and family during the term of this agreement.

C. Vision Insurance

The District will provide fully paid vision insurance for the Employee and family during the term of this agreement.

D. **Life Insurance**

The District will provide fully paid term life insurance equal to twice the Employee's base annual salary, but not less than \$100,000 during the term of this agreement. Eligible dependents shall have \$1,500 term life insurance.

E. **Co-Insurance**

Employees otherwise eligible to insure dependents for medical/hospitalization insurance who elect not to do so as a result of duplicating medical/hospitalization insurance coverage through the spouse's or registered domestic partner's employer shall be credited monthly with two-thirds (66-2/3%) of the District's savings between the Employee's insurance premium or contribution thereto as described in this article and the Employee insurance premium.

F. **Employee Assistance**

The District shall provide an Employee Assistance Program (EAP) for the Employee. Said EAP will cover the cost of professional medical, legal and financial counseling for the Employee and immediate family equal to that provided other employees of the District.

G. **Long Term Disability**

The District will provide long-term disability ("LTD") insurance coverage for the Employee, equal to two-thirds (66-2/3%) of their base salary, to a maximum base salary of fourteen thousand seven hundred twenty-five dollars (\$14,725) monthly, for a maximum monthly benefit payment of nine thousand eight hundred sixteen dollars (\$9,816). The terms and conditions of such LTD insurance coverage shall be as fully set forth in the LTD insurance policy provided to the Employee.

ARTICLE III. SALARY

The salary for «Title» is \$«NewSalary» monthly. Subsequent salary adjustments shall be based on satisfactory performance.

ARTICLE IV. LEAVE PROVISIONS

A. **Vacation Credits**

The Employee shall accumulate vacation credits on a bi-weekly basis in accordance to the following schedule:

Duration of Employment	Annual Accumulation	Bi-Weekly Credit
After 0 – 2 years	15 Days	4.615 hours
After 2 – 4 years	17 Days	5.231 hours
After 4 – 9 years	21 Days	6.462 hours
After 9 – 14 years	23 Days	7.077 hours
After 14 – 19 years	28 Days	8.615 hours
After 19 – 24 years	33 Days	10.154 hours
After 24 years	35 Days	10.769 hours

B. Vacation Leave Transfer

1. An Employee may donate prospective vacation hours on an hour for hour basis to another employee who has exhausted all sick leave credits, pursuant to the following provisions:
 - (a) An Employee (Donor) who has at least 80 hours of accrued vacation at the time of donation may donate a designated number of prospective vacation accruals for a designated number of pay periods to a specific Employee.
 - (b) The election to donate must be in writing and approved, and is irrevocable.
 - (c) An Employee who has a verified medical emergency expected to cause a prolonged absence of at least 80 hours, may make a formal request for donation to the Human Resources Division for donations, which may be donated and used after the exhaustion of all paid accruals.
 - (d) The recipient may not receive more than 80 hours of donations in any one pay period and assumes tax liability for the value of hours donated at the time of usage.

C. Payment for Vacation Credits

The Employee shall be eligible to convert vacation leave credits to extra compensation subject to the following provisions:

1. Vacation credits may be converted to extra compensation on an hour-used hour-paid basis for the first 120 hours of vacation taken each Employee anniversary year.
2. In addition to the provisions set forth in this article, if the Employee is unable to use vacation credits by reason of serving the interest of the District, with said service resulting in maximum vacation credit accrual and the risk of loss of subsequent vacation credits, as determined by the General Manager or his

Designee, and with approval of the Board of Directors, the Employee may receive compensation for those credits which would otherwise be lost for a period not to exceed four pay periods each fiscal year.

3. The Employee may accumulate up to two (2) times their annual vacation credits.

D. **Sick Leave Credits**

The Employee shall accumulate eight (8) hours of sick leave credit monthly.

E. **Sick Leave Usage**

1. Sick leave shall be charged in increments of one (1) hour.
2. Sick leave shall be defined as follows:
 - (a) an illness that physically incapacitates an employee from performing his/her regular duties;
 - (b) injury not incurred in line of duty except where traceable to employment by an employer other than the District;
 - (c) medical, dental or eye examination or treatment for which appointments cannot be made outside of working hours.
3. Special leave with pay for the following reasons shall be chargeable to sick leave credits:
 - (a) exposure to contagious disease when the presence of the Employee for duty would endanger the health of others;
 - (b) death in the immediate family;
 - (c) hospitalization of a member of the immediate family;
 - (d) providing care for a member of the immediate family where such member is seriously ill or injured and who requires the care and attendance of the Employee.
 - (e) immediate family shall include the Employee's spouse, registered domestic partner, child, grandchild, parent, grandparents, in-laws, dependents or foster relatives or sibling of the Employee or the Employee's spouse, or any other person residing with and dependent upon the Employee as determined by the IRS definition of dependent.

F. **Conversion of Unused Vacation Credits to Sick Leave Credits**

The Employee may convert accumulated unused vacation credits to sick leave credits subject to the following conditions:

1. Conversion shall be permitted only after the Employee has been absent from work due to illness that is eligible for disability insurance benefits.
2. The number of hours converted to sick leave shall not exceed the number of hours by which the Employee's accumulated sick leave was reduced by the illness.
3. The conversion shall be at the rate of one hour of vacation credit for two hours of sick leave credit.
4. A request for conversion shall be made within 30 days after the Employee returns to work following the illness which shall state the number of hours of vacation credit to be converted to sick leave credit.

G. **Payment for Sick Leave Credits**

Upon termination of employment of not less than five (5) years, the Employee shall receive extra compensation for accumulated and unused sick leave credits at the rate of one-half the Employee's current salary for the first thirty-five (35) days and one-third the Employee's current salary for days in excess of 35. If employment is terminated by death, the extra compensation shall be paid to the beneficiary as designated for retirement purposes.

H. **Holidays**

The following holidays shall be observed during the term of this agreement:

Holiday	Date of Holiday Observance	
Veteran's Day	Friday	November 11, 2011
Thanksgiving Day	Thursday	November 24, 2011
Friday after Thanksgiving	Friday	November 25, 2011
Christmas	Monday	December 26, 2011
New Year's Day	Monday	January 2, 2012
Martin Luther King's Birthday	Monday	January 16, 2012
Lincoln's Birthday	Monday	February 13, 2012
President's Day	Monday	February 20, 2012
Memorial Day	Monday	May 28, 2012
Independence Day	Wednesday	July 4, 2012
Labor Day	Monday	September 3, 2012

Holidays that occur on Saturday shall be taken on Friday, and holidays that occur on Sunday shall be taken on Monday.

I. **Discretionary Leave**

Discretionary leave is a leave of absence with or without pay that is granted at the discretion of the Board of Directors or the General Manager and is in addition to vacation leave and sick leave.

1. Discretionary leave may be granted for any of the following purposes:
 - (a) The leave is deemed to be for the benefit of the Employee including leave for education, vocational training or welfare.
 - (b) The leave is deemed to be in the interest of the District, including leave to enhance the Employee's skill, knowledge or ability to perform service for the District.
 - (c) The leave is deemed to be in the public interest, including service by the Employee for governmental entity, public utility or public service organization.
2. All discretionary leaves shall be requested or consented to by the Employee in writing.
3. Approval:
 - (a) Discretionary leaves may be approved for a specified period of time at full pay, part pay, or without pay.
 - (b) Leaves for more than one year or which involve payment of more than the equivalent of four weeks full salary shall be subject to the approval of the Board of Directors.
 - (c) Leave during the first eighteen (18) months of employment shall not be approved unless the primary purpose of the leave is to serve the interest of the District or the public.
 - (d) A discretionary leave shall not exceed twelve (12) months.
4. The time an Employee is on discretionary leave without pay shall not be counted for vacation benefit purposes.

5. A discretionary leave may be terminated before expiration. Said leave may be terminated by the Employee to enable return to work with the approval of the Board of Directors. Said leave may be terminated by the District by written notice delivered or mailed to the Employee at least thirty (30) days prior to the effective date thereof.

J. **Administrative Leave**

The Employee shall accumulate a total of one hundred and ten (110) hours of Administrative Leave per year, credited at a rate of 4.231 hours per pay period (26 pay periods per year), with the 26th pay period adjusted to 4.225 hours. Administrative Leave accrual is capped at ninety-six (96) hours. Administrative Leave accumulated beyond the 96 hours will be paid up to 4.231 hours maximum per pay period at the Employee's base hourly rate of pay, or upon the employee's election, can be contributed to deferred compensation.

K. **Floating Leave**

The employee shall receive eight (8) hours of floating leave per calendar year. This leave day is not subject to carryover or cashout, and it is to be used in an eight (8) hour increment.

ARTICLE V. FLEXIBLE BENEFIT

The District shall provide to each employee affected by this agreement \$170 monthly which may be applied toward compensation and/or benefits consistent with the provisions of state and federal tax law.

ARTICLE VI. WELLNESS BENEFIT

The Employee shall have the option to participate in the District Wellness Program under the same terms and conditions as set out in the represented unit contracts.

ARTICLE VII. DEFERRED COMPENSATION / RETIREMENT CONTRIBUTION AND OPEB CONTRIBUTIONS

A. Deferred Compensation

The District shall contribute, on an annual matching basis to employee's deferred compensation account, the maximum amount allowable under Internal Revenue Code Section 457b, including the age 50 catch up amount, an amount of the employee's base annual salary as set out below. The District's contribution on behalf of the employee shall be divided equally and deposited during the first two pay periods of each month.

Years of CCWD Experience	Employee Contribution
Less than 3 years	Matching to 2%
3-5 years	Matching to 3%
6-8 years	Matching to 4%
9 or more years	Matching to 5%

1. Deferred Compensation 457b Plan

The amount of deferred compensation actually contributed by employee to a 457b Plan account shall be matched by the District, subject to the limitations of this Article.

2. Deferred Compensation 401a Plan

Employee shall have an irrevocable option to direct that the District's deferred compensation contribution be deposited in a 401a Plan account instead of in the 457b Plan account. If employee selects this option, the maximum District matching contribution, as set out above, must be matched by employee.

Employee shall also have an irrevocable option to contribute an additional, unmatched, portion of employee's base salary to the 401a Plan account, in accordance with the rules of the 401a Plan, as established and amended from time to time by the Internal Revenue Service. The additional contribution rates that may be selected by the employee are 1%, 2%, 3%, 5%, 7%, 10%, or 15%.

The decision of the employee concerning whether to participate and the designation of the amount to place in their 401a Plan account will be final and irrevocable as long as the employee is employed in the unit, in accordance with the IRS rules and the 401a Plan documents.

In no event will the District's obligation to contribute to the IRS 401a Plan account exceed the amount the District would have contributed to an IRS 457b deferred compensation plan.

B. Retirement

The employee shall be provided retirement benefits that provide for five year vesting with retirement compensation based upon a 2.35 percent at age 55 formula, calculated using the average monthly basic compensation paid over the twelve (12) most highly compensated consecutive months of service multiplied by the total number of full years the Employee has served. The benefit formula schedule is set forth in the Retirement Plan Trust Agreement for Unrepresented Employees. The Employee's retirement contribution shall be determined in accordance to the following schedule:

YEARS OF CCWD EXPERIENCE	EMPLOYEE RETIREMENT CONTRIBUTION
Less than 7 years	3%
7 – 9 years	2%
10 or more years	1%

C. Retirement Medical Benefits

In accordance with the District's Code of Regulations, the District shall pay the full cost of continuing the existing medical plan for all eligible retirees. Eligible retirees are all employees of the District who retire under the provisions of Article V of the District's retirement plan, who have successfully completed probation, if applicable, or completed at least six months of continuous District service, and who enter directly into retirement status from their active District employment. The coverage paid for by the District shall include the retiree's spouse or State of California Registered Domestic Partner (RDP) and eligible dependents and shall continue as long as the retiree lives.

In the event the District retiree predeceases his/her spouse/RDP, the surviving spouse/RDP will continue to receive fully-paid District-sponsored health care until the surviving spouse/RDP reaches age 65, provided a Joint and Survivor retirement annuity selection was made by the retiree at the time of retirement, naming the surviving spouse/RDP as the beneficiary.

1. Service Vesting Requirement

Employees hired on or after September 1, 2011, shall be subject to a five (5) year District-service vesting period to be eligible for retirement medical upon direct retirement from the District. Reciprocal agency service does not count toward the 5-year vesting for retirement medical. Employees hired prior to September 1, 2011 are not subject to the 5-year District service eligibility requirement, and would be eligible for retirement medical benefits upon meeting retirement eligibility and retiring directly from District employment.

2. Employee Contributions to Other Post Employment Benefits (OPEB)

Effective September 1, 2011 through September 1, 2014, Unrepresented Employees will begin making contributions to OPEB (retirement medical) via payroll deductions as follows:

September 1, 2011 through September 1, 2012 = 2.5% of basic compensation

September 1, 2012 through September 1, 2013 = 3.5% of basic compensation

September 1, 2013 through September 1, 2014 = 4.5% of basic compensation

These contributions will be made on a pre-tax basis.

The issue of Employee Contributions to OPEB will be revisited by Unrepresented Employees (and all other participating employee groups) coincident with the expiration of the Local 39 contract on June 30, 2014. Any change in Employee OPEB Contribution would become effective on September 1, 2014.

3. Return of Contributions

Should an employee separate from District service other than through a direct retirement, and/or prior to vesting in the OPEB (retirement medical) benefit, all employee contributions, plus 5% interest per annum, compounded annually, shall be returned to the employee upon separation. Such a separation payment will be made through a separately established reserve fund, as payments of this nature out of the OPEB Trust itself are not permissible per IRS regulations. The distribution would be a taxable event, with no option to roll-over or otherwise tax-defer the distribution.

4. Advisory Committee To The Plan Administrator

An employee advisory committee to review OPEB Trust performance and make recommendations, similar in function to the existing Retirement Plan Committee, shall be established. The District shall amend the OPEB Trust to expressly define the composition, role and responsibilities of the Advisory Committee To The Plan Administrator. Given the similarities in responsibilities, the respective employee representatives for the Retirement Committee shall also serve as the representatives for the Advisory Committee To The Plan Administrator.

In the event the IRS issues an adverse ruling in the future affecting the OPEB Trust provisions and relevant sections of this MOU, including requiring employee contributions to OPEB be on a post-tax basis, or the appropriateness of a return of contribution, the MOU and Trust provisions will be amended to comply with IRS regulations.

ARTICLE VIII. CONFIDENTIALITY IN COMPENSATION RECORDS

Employee expressly understands that the District may release any and all District records regarding the employee's compensation, including but not limited to base pay, cost of living increases, merit awards and fringe benefits to the public upon proper request by the public. By entering into this agreement, Employee expressly agrees that this agreement is a public record, and expressly waives any right of privacy the Employee may have regarding any merit pay award made during the term of this agreement.

ARTICLE IX. DRUG AND ALCOHOL FREE WORKPLACE

The District is committed to establishing and maintaining a high-quality, safe environment for employees and the public. The District and the Employee agree to cooperate in maintaining a drug and alcohol free workplace. Any unlawful use, possession, distribution, or manufacture of a controlled substance in the workplace by employees, or using or being under the influence of drugs or alcohol in the workplace shall be prohibited. The District shall immediately take appropriate action to insure compliance with this provision.

The District and the Employee mutually agree to the following:

- A. The use or abuse of alcohol or drugs which impairs an employee's job performance has the potential to negatively impact the District, other employees or the public, and is considered a safety issue.
- B. The District shall promptly and thoroughly investigate all incidents of suspected job impairment due to alcohol or drug use.
- C. Mandatory referrals shall be made to the Employee Assistance Program for employees determined to be impaired on the job from alcohol or drug usage.
- D. The District reserves the right to take necessary action to ensure a drug and alcohol free workplace providing such actions do not violate any express provision of this contract.
- E. Any disciplinary actions proposed in connection with violations of this provision shall be done consistent with the District's disciplinary procedures.

ARTICLE X. INCORPORATION

The parties agree that the Retirement Plan Trust Agreement and any other document impacting terms and conditions of employment, approved by the Board of Directors and from time to time amended, are applicable to this Memorandum of Understanding unless superseded by a provision herein, and are hereby incorporated by reference.

ARTICLE XI. DISTRICT RIGHTS

The District retains the exclusive right, among others, to do each and all of the following: determine the mission of its departments; set standards of service; determine the procedures and standards of selection for employment and promotion; manage its employees and its operations; relieve its employees from duty because of lack of work or for other legitimate reasons, maintain the efficiency of District operations; determine the numbers, locations and nature of its facilities; determine the methods, means, and personnel by which District operations are to be conducted; determine and re-determine the content of job classifications; take any and all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. Nothing in this section shall be considered to limit, amend, decrease, revoke, or otherwise modify the rights vested in the District by the county Water District Law, from time to time in effect, or other laws regulating, authorizing, or empowering the District to act or refrain from acting.

ARTICLE XII. NON-DISCRIMINATION

The Employee and the District agree that there shall be no discrimination because of race, religion, national origin, sex, age, handicap, or sexual preference under the terms and provisions of this Memorandum of Understanding.

ARTICLE XIII. SAVINGS CLAUSE

If any article or provision of this agreement or any portion thereof is in conflict or inconsistent with applicable laws or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such article or provision or portion thereof shall be suspended and superseded by such applicable law and the remainder of such article, provision or portion thereof of the agreement shall not be affected thereby.

ARTICLE XIV. TERM

The Memorandum of Understanding shall remain in full force and effect October 3, 2011 to and including October 2, 2012, unless otherwise terminated by either of the parties to this agreement. If terminated by either of the parties for other than separation from employment, it is understood that the terms and conditions of employment conferred upon the Employee shall be those set forth in policies, regulations, and salary schedules approved by the District.

DATED: _____

CONTRA COSTA WATER DISTRICT UNREPRESENTED GROUP EMPLOYEE

BY: _____
Jerry Brown
General Manager

BY: _____
«Name»
«Title»