



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

AGENDA

For the Regular Meeting of the Montecito Sanitary District Board of Directors:

September 24, 2025

The regular meeting of the Governing Board will begin at **1:00 p.m. on September 24, 2025** in the District's Board Room at 1042 Monte Cristo Lane, Santa Barbara, CA 93108.

The public may attend the meeting in person or participate remotely via Zoom using the following virtual meeting details:

By visiting: <https://us02web.zoom.us/j/86118975917>

Or by calling: 1-669-900-6833

Meeting ID: 861 1897 5917

1. CALL TO ORDER

A. ROLL CALL

B. PLEDGE OF ALLEGIANCE

C. PRESIDENTS REPORT

D. BOARD APPROVAL OF THE AGENDA

2. PUBLIC COMMENT

Public comment on items not on the agenda is **limited to 3 minutes** and is at the discretion of the Board President. For further instructions, please see [Instructions for Public Comment](#) on the District's website.

3. CONSENT CALENDAR

A. Board Meeting Minutes of the September 10, 2025 Regular Meeting (Page 3)

B. Board Meeting Minutes of the September 11, 2025 Special Meeting (Page 6)

C. Board Meeting Minutes of the September 15, 2025 Special Meeting (Page 8)

D. First Amendment to Easement at 618 Hot Springs Road, Montecito, California (Page 10)

E. Fiscal Year 2024-25 Audit Contract (Page 23)

4. COMMITTEE REPORTS

It is recommended that the Board receive a report provided by the following committee(s):

A. The Montecito Sanitary District Finance Committee (Directors Newquist and Johnson) will report on their September 9, 2025 meeting.

5. CLOSED SESSION

A. PUBLIC COMMENT

Public comment on closed session item(s):

B. CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE § 54957.6)

Name of District Negotiator to Attend Closed Session: John Weigold, General Manager

Name of Employee Organization: Represented Staff, Montecito Sanitary District Management Group

6. BUSINESS ITEMS

A. LABOR NEGOTIATIONS (GOVERNMENT CODE § 54957.6) (PAGE 40)

It is recommended that the Board:

- i) Approve a Memorandum of Understanding between the Montecito Sanitary District and Service Employees International Union (SEIU) Local 620; and
- ii) Approve an updated labor agreement with the Montecito Sanitary District Management Group; and
- iii) Take any such additional, related action that may be desirable

7. BOARD COMMUNICATIONS

A. Next Board Meeting Date – October 8, 2025

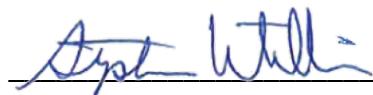
B. Items for future Board meeting

8. ADJOURNMENT

The Montecito Sanitary District conducts its meetings in accordance with the Brown Act. The District also provides alternative methods of remote participation which permit members of the public to observe and address public meetings remotely via telephone or Zoom. These methods of participation can be accessed through the internet link provided at the top of this agenda.

This agenda was posted on the District website, and at the Montecito Sanitary District Bulletin Board in accordance with the requirements of the Brown Act.

Attested by:



Stephen Williams

Business and Administrative Manager/Clerk of the Board

ADA – The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied the benefits of, the District's programs, services or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at 969-4200.



Montecito Sanitary District

1042 Monte Cristo Lane A Public Service Agency
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

MINUTES

For the Regular Meeting of the Board on:

September 10, 2025

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a regular meeting at 1:10 pm on Wednesday, August 13, 2025. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Directors Johnson, Newquist, Ohlmann, Rockenbach, and Ellwood T. Barrett II

Board Members Absent:

None

Also Present and Participating:

John Weigold, MSD General Manager

Stephen Williams, MSD Business and Administrative Manager/Clerk of the Board

Aleks Giragosian, MSD General Legal Counsel

2. PUBLIC COMMENT

No members of the public addressed the Board.

3. DIRECTOR REPORT

Director Johnson gave a report on her attendance of the CSDA Annual Conference and Exhibitor Showcase.

4. CONSENT CALENDAR

ON MOTION by Director Ohlmann, Seconded by Director Johnson, the Board voted to approve the following Consent Calendar items:

- A. Board Meeting Minutes of the August 13, 2025 Regular Meeting
- B. Approval for Director Rockenbach to attend the CSDA Special District Leadership Academy Conference
- C. Channel Drive Lift Station Generator Purchase

AYES:	Directors Johnson, Newquist, Ohlmann, Rockenbach, and Barrett
NAYES:	None
ABSTAIN:	None
ABSENT:	None

5. BUSINESS ITEMS

A. AWARD OF CONTRACT – INVESTMENT GRADE AUDIT – PLANT UPGRADE PROJECT

ON MOTION by Director Rockenbach, Seconded by Director Newquist, the Board voted to approve a professional services contract with Southland Industries in the amount of \$1,675,230 to perform and Investment Grade Audit (IGA) as the first phase of development of a comprehensive plant upgrade project.

AYES: Directors Johnson, Newquist, Ohlmann, Rockenbach and Barrett
NAYES: None
ABSTAIN: None
ABSENT: None

B. LOCAL AGENCY FORMATION COMMISSION (LAFCO) BOARD OF DIRECTORS ELECTION

ON MOTION by Director Newquist, Seconded by Director Rockenbach, the Board voted to direct the General Manager to cast a ballot for Dorinne Johnson to fill the for the vacant LAFCO Regular Special District Board Member on behalf of the District.

AYES: Directors Johnson, Newquist, Ohlmann, Rockenbach and Barrett
NAYES: None
ABSTAIN: None
ABSENT: None

C. ELECTRIC VEHICLE PURCHASE UPDATE

ON MOTION by Director Rockenbach, Seconded by Director Ohlmann, the Board voted to authorize the General Manager to execute a Purchase Order with National Auto Fleet in the amount of \$63,794.27 for the purchase of a 2026 Ford F-150 Lightning truck.

AYES: Directors Johnson, Ohlmann, Rockenbach and Barrett
NAYES: None
ABSTAIN: Director Newquist
ABSENT: None

D. LETTER OF ENGAGEMENT SCOPE

The Board discussed the scope for a potential letter of engagement with a CPA firm with no action being taken.

President Barrett formed an Ad Hoc to determine scope comprised of Director Rockenbach and Director Barrett.

6. BOARD COMMUNICATIONS

- A. Next Regular Board Meeting Date – September 24, 2025
- B. Items for future Board meeting – No items were discussed by the Board

7. ADJOURNMENT

ON MOTION by Director Rockenbach, Seconded by Director Newquist, the meeting ended at 2:21 pm.

These minutes were presented for approval at the Regular Board Meeting on September 24, 2025.

Ellwood T. Barrett II, President

Minutes taken and prepared by:

Stephen Williams
Business and Administrative Manager/Clerk of the Board



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MINUTES

For the Special Meeting of the Board on:

September 11, 2025

1. CALL TO ORDER

The Governing Board of the Montecito Sanitary District convened a special meeting at 2:03 pm on Thursday, September 11, 2025. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Directors Johnson, Newquist, Ohlmann, Rockenbach, and Ellwood T. Barrett II

Board Members Absent:

None

Also Present and Participating:

John Weigold, MSD General Manager

Stephen Williams, MSD Business and Administrative Manager/Clerk of the Board

2. PUBLIC COMMENT

No members of the public addressed the Board.

3. BUSINESS ITEMS

A. 2025 FORD F150 LIGHTNING ELECTRIC VEHICLE PURCHASE

This item was removed from the agenda as it was acted on at the September 10, 2025 Regular Meeting.

4. CLOSED SESSION

A. PUBLIC COMMENT

No members of the public addressed the Board.

B. CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE § 54957.6)

Name of District Negotiator to Attend Closed Session: John Weigold, General Manager

Name of Employee Organization: Represented Staff, Montecito Sanitary District Management Group

REPORTABLE ACTION: None

NOTE: Director Newquist left the Closed Session at 3:02pm.

5. BOARD COMMUNICATIONS

- A. Next Regular Board Meeting Date – September 24, 2025
- B. Items for future Board meeting – No items were discussed by the Board

6. ADJOURNMENT

ON MOTION by Director Rockenbach, Seconded by Director Newquist, the meeting ended at 4:07 pm.

These minutes were presented for approval at the Regular Board Meeting on September 24, 2025.

Ellwood T. Barrett II, President

Minutes taken and prepared by:

Stephen Williams
Business and Administrative Manager/Clerk of the Board



Montecito Sanitary District

1042 Monte Cristo Lane *A Public Service Agency*
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

MINUTES

For the Special Meeting of the Board on:

September 15, 2025

1. **CALL TO ORDER**

The Governing Board of the Montecito Sanitary District convened a special meeting at 2:07 pm on Monday, September 11, 2025. The meeting was also broadcast using Zoom teleconferencing.

ATTENDANCE

Board Members Present:

Directors Johnson, Rockenbach, and Ellwood T. Barrett II

Board Members Absent:

Directors Newquist and Ohlmann

Also Present and Participating:

Stephen Williams, MSD Business and Administrative Manager/Clerk of the Board

2. **PUBLIC COMMENT**

No members of the public addressed the Board.

3. **CLOSED SESSION**

A. PUBLIC COMMENT

No members of the public addressed the Board.

B. CONFERENCE WITH LABOR NEGOTIATOR (GOVERNMENT CODE § 54957.6)

Name of District Negotiator to Attend Closed Session: John Weigold, General Manager

Name of Employee Organization: Represented Staff, Montecito Sanitary District Management Group

REPORTABLE ACTION: None

4. BUSINESS ITEMS

ON MOTION by Director Rockenbach, Seconded by Director Johnson, the Board voted to the following:

1. The District pays 100% of all insurance premiums for Employee and their dependents for the base plan (PPO). Employee will pay difference if they opt into any other plan; and
2. Elimination of Two Tier Structure for Vacation Benefits; and
3. Employees may receive payment in lieu of vacation only when their accrued balance is at least 8-% of the maximum allowed; no payment will be made for leave balances below that threshold. Employees must have taken 40 hours of leave in the current calendar year prior to receiving payment for leave in excess of 80% of their maximum; and
4. Increase the boot stipend to \$350 annually for operations employees; and
5. Authorize the General Manager to implement an Alternate Work Schedule (AWS) policy at his discretion and in conjunction with the Union.

5. BOARD COMMUNICATIONS

- A. Next Regular Board Meeting Date – September 24, 2025
- B. Items for future Board meeting – No items were discussed by the Board

6. ADJOURNMENT

ON MOTION by Director Rockenbach, Seconded by Director Johson, the meeting ended at 4:10 pm.

These minutes were presented for approval at the Regular Board Meeting on September 24, 2025.

Ellwood T. Barrett II, President

Minutes taken and prepared by:

Stephen Williams
Business and Administrative Manager/Clerk of the Board



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT – 3E

DATE: September 24, 2025
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: First Amendment to Easement at 618 Hot Springs Road, Montecito, California

RECOMMENDATION

It is recommended that the Board:

- 1) Execute a Certificate of Acceptance for the first amendment of easement at 618 Hot Springs Road, Montecito, California; and
- 2) Take any such additional, related action that may be desirable.

BACKGROUND

On or about June 11, 1970, an easement over and under a seventeen-foot (17') strip of the property was granted to the District. Pursuant to the easement the District constructed an eight-inch (8") sewer mainline and apparatuses in the easement area.

The grantor desires to redevelop the property, which will include certain improvements in and around the easement area. These improvements were reviewed and approved by the District on August 28, 2025.

Staff believes the amendment to the easement best accommodates the resident's concerns, while still protecting the District's ability to inspect and maintain its facilities.

FISCAL IMPACT: None

ATTACHMENTS:

1. Certificate of Acceptance

**RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:**

Price, Postel & Parma LLP
Attention: Jeremy Stone, Esq.
200 East Carrillo Street, Suite 400
Santa Barbara, CA 93101

APN 011-180-061

SPACE ABOVE THIS LINE FOR RECORDER’S USE

Exempt from Recording Fees pursuant to Government
Code sections 6103 and 27383

The property is located in Unincorporated Santa Barbara
County

FIRST AMENDMENT TO EASEMENT

THIS FIRST AMENDMENT TO EASEMENT (“Amendment”) is made on September _____, 2025, but effective as of the date it is recorded in the Official Records of Santa Barbara County (the “Effective Date”), by and between John C. Esrey and Megan W. Esrey, Trustees of the Esrey Family Trust dated December 21, 2005 (“Grantor”), and the Montecito Sanitary District, a California special district formed under the Sanitary District Act of 1923 (“District”), with reference to the following facts:

Recitals

A. Grantor is the owner of that certain real property commonly known as 618 Hot Springs Road, Montecito CA 93108 (APN: 011-180-061), and more particularly described in **Exhibit “A”** attached hereto (the “Property”).

B. On or about June 11, 1970, an easement over and under a seventeen-foot (17’) strip of the Property (the “Easement Area”) was granted to the District by Instrument No. 15092, which was recorded in Book 2311, Page 498 of the Official Records of Santa Barbara County (“Easement”). The Easement Area is legally described in the Easement and depicted in **Exhibit “B”** attached hereto and incorporated herein by this reference

C. Pursuant to the Easement, the District constructed an eight-inch (8”) sewer mainline and apparatuses in the Easement Area (“Facilities”).

D. Grantor desires to redevelop the Property, which will include certain improvements in and around the Easement Area (“Project”). The “Project” includes, but is not limited to, an auto court, a patio, utilities, walls, fences, walking paths, trees, a ramp, and shrubs, all of which are depicted in **Exhibit “B”**, and additional improvements that are depicted on Plan Sheets A1.01 (prepared by Becker Studios, with a stamped issue date of February 26, 2025), C-3 (prepared by

Bethel Engineering and dated February 17, 2025), and L3.1 (prepared by Scott Menzel and dated February 28, 2024) (collectively the “Plan Sheets,” and together with Exhibit “B”, the “Plans”), all of which were approved by the District on August 28, 2025, are on file with the District, and are incorporated herein by this reference.

E. Considering the Project, Grantor and the District desire to amend the Easement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the District and Grantor hereby agree as follows:

1. **Definitions; Integration.** This Amendment and the Easement shall be deemed to be, for all purposes, one instrument. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Easement, the terms and provisions of this Amendment shall, in all instances, control and prevail. All recitals set forth above are fully incorporated herein.

2. **Repair and Replacement of Project.** The paragraph of the Easement providing, “That the said Grantee will restore and replace the surface of the ground and improvements over the above mentioned right of way and will repair any and all damage to the property of the Grantor above or adjoining the said right of way which is injured or damaged in the construction or maintenance of the said Sewer Pipe Line.” shall be deleted and replaced in its entirety with the following paragraph:

“If any portion of the Easement Area or any improvements that are constructed in the Easement Area by Grantor (including but not limited to the Project) are damaged or removed during or as part of the District’s construction, inspection, or maintenance of the Facilities, Grantor shall pay for and carry out the repair, restoration, and/or replacement of the same, if, without any obligation to do so, Grantor desires to repair, restore, and/or replace the same within the Easement Area. Additionally, Grantor shall bear the cost of the demolition or removal of any improvements in the Easement Area necessitated by the District’s construction, inspection, or maintenance; provided, however, that District will first meet and confer with Grantor in good faith on the nature, scope and extent of any work prior to any demolition or removal of any improvements in the Easement Area. Notwithstanding anything in the foregoing to the contrary, if (1) the District, or its employees, agents, contractors or subcontractors damage any portion of the Property outside the Easement Area or any improvements thereon, or (2) any part of the Property or improvements inside the Easement Area are damaged as a result of the negligence or willful misconduct of the District, or its employees, agents, contractors or subcontractors, then the District shall pay for and carry out the repair, restoration, and/or replacement of the same. The District shall at all times (i) make reasonable and good-faith efforts to minimize damage to the Project and the Property, as well as the need to restore, repair, and/or replace the same, and (ii) except in emergency circumstances, give Grantor at least thirty (30) days written notice of any work that may damage any portion of the Easement Area or any

improvements located thereon (including but not limited to the Project).”

3. **Confirmation.** The Easement is in full force and effect and has not been modified, supplemented, or amended in any way, except pursuant to this Amendment, and the parties hereby ratify and confirm the same.

4. **Miscellaneous.** The headings of this Amendment are for reference purposes only and shall not limit or define the meaning of the provisions of this Amendment. Grantor and the District each represent to the other that the individual(s) signing this Amendment have the authority to do so, and if necessary, have received all necessary consents and approvals. This Amendment shall be binding upon and inure to the benefit of Grantor and the District, and Grantor and the District’s successors and assigns, and is intended to be “covenants running with the land” so as to be binding upon successive owners, heirs, or successors in interest. The validity and interpretation of this Amendment shall be governed by the laws of the State of California without giving effect to the principles of conflict of laws. With respect to the matters considered in this Amendment and the Easement, this Amendment and the Easement and the attachments thereto, contain the entire understanding and agreement of the parties with respect to such matters, and there have been no promises, representations, agreements, warranties, or undertakings by either party except as stated in the Easement and this Amendment. The Easement may be altered, amended, or modified only by an instrument in writing, executed by the parties to this Amendment (or the successor(s) in interest) and recorded in the Official records of the County of Santa Barbara. If a lawsuit is brought to enforce or interpret any part of the Easement, the prevailing party (as determined by the court) shall be entitled to reasonable attorneys’ fees, costs, and any other necessary expenses, including costs of collection, in addition to any other relief to which the prevailing party may be entitled. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF and intending to be legally bound hereby, Grantor and the District have executed this Amendment to be effective as of the Effective Date.

GRANTOR: The Esrey Family Trust dated December 21, 2005

By: _____
John C. Esrey, Trustee

By: _____
Megan W. Esrey, Trustee

DISTRICT: Montecito Sanitary District

By: _____
John F. Weigold, General Manager

EXHIBIT “A”

Legal Description

(Attached)

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 011-180-061

PARCEL ONE:

Parcel C of Parcel Map No. 13,859 in the County of Santa Barbara, State of California, as per the map thereof recorded in [Book 40, Pages 51 and 52](#) of Parcel Maps, in the Office of the County Recorder of Santa Barbara County.

TOGETHER WITH

That portion of the outside Pueblo Lands of the City of Santa Barbara (in the Montecito Area), County of Santa Barbara, State of California, as shown on a map recorded in [Book 63, Page 68](#) of Record of Surveys, in the Office of the County Recorder of said County, described as follows:

Beginning on a 2 inch brass capped monument in the Westerly line of Lot 7 of Tract 10,122, as shown on a map recorded in Book 54, Pages 13, 14 and 15 of Maps, Records of Santa Barbara County, at the Southeasterly corner of the tract of land described in the deed to John B. Hamilton, recorded November 27, 1950 in [Book 955, Page 385](#) of Official Records;

thence along the Southerly line of said Hamilton Tract, South 85°30' West 192.18 feet to a ½ inch pipe;

thence into said Hamilton Tract, North 9°14' West at 30.10 feet a ½ inch pipe, 226.60 feet to a ½ inch pipe in the Northerly line of said Hamilton Tract;

thence for 2 courses along the boundary line of said Hamilton Tract; North 85°30' East 192.18 feet to a 2 inch brass capped monument, and South 9°14' East 226.60 feet to the point of beginning.

Said land is described and depicted in County of Santa Barbara Certificate and Declaration of Voluntary Merger No. 18-VM-10, recorded March 28, 2019 as Instrument No. [2019-0011991](#) of Official Records.

PARCEL TWO:

An easement for ingress, egress, private roadway and public and private utility purposes over, under, along and across a strip of land being the Northerly 20 feet of Parcel B of Parcel Map No. 11,366 in the County of Santa Barbara, State of California, as per the map thereof recorded in [Book 9, Page 69](#) of Parcel Maps, in the Office of the County Recorder of Santa Barbara County.

PARCEL THREE:

An easement for road and public utility purposes as created by that certain "Grant Deed of Easement" recorded June 14, 2019, as Instrument No. [2019-0024410](#) of Official Records over the property described as follows:

A strip of land 30 feet in width lying adjacent to and Northerly of the Southerly line of that real property in the County of Santa Barbara, State of California shown as Parcel A on a map recorded in [Book 63, Page 68](#) Record of Surveys.

PARCEL FOUR:

An easement for road and public utility purposes as created by that certain "Grant Deed of Easement" recorded June 14, 2019, as Instrument No. [2019-0024411](#) of Official Records over the property described as follows:

EXHIBIT "A"
Legal Description
(continued)

A strip of land 30 feet in width lying adjacent to and Northerly of the Southerly line of that real property in the County of Santa Barbara, State of California shown as Parcel B on Map recorded in [Book 63, Page 68](#) Record of Surveys.

EXHIBIT “B”

Sketch of Project

(Attached)

EASEMENT ENCROACHMENT SKETCH

EXHIBIT "B"

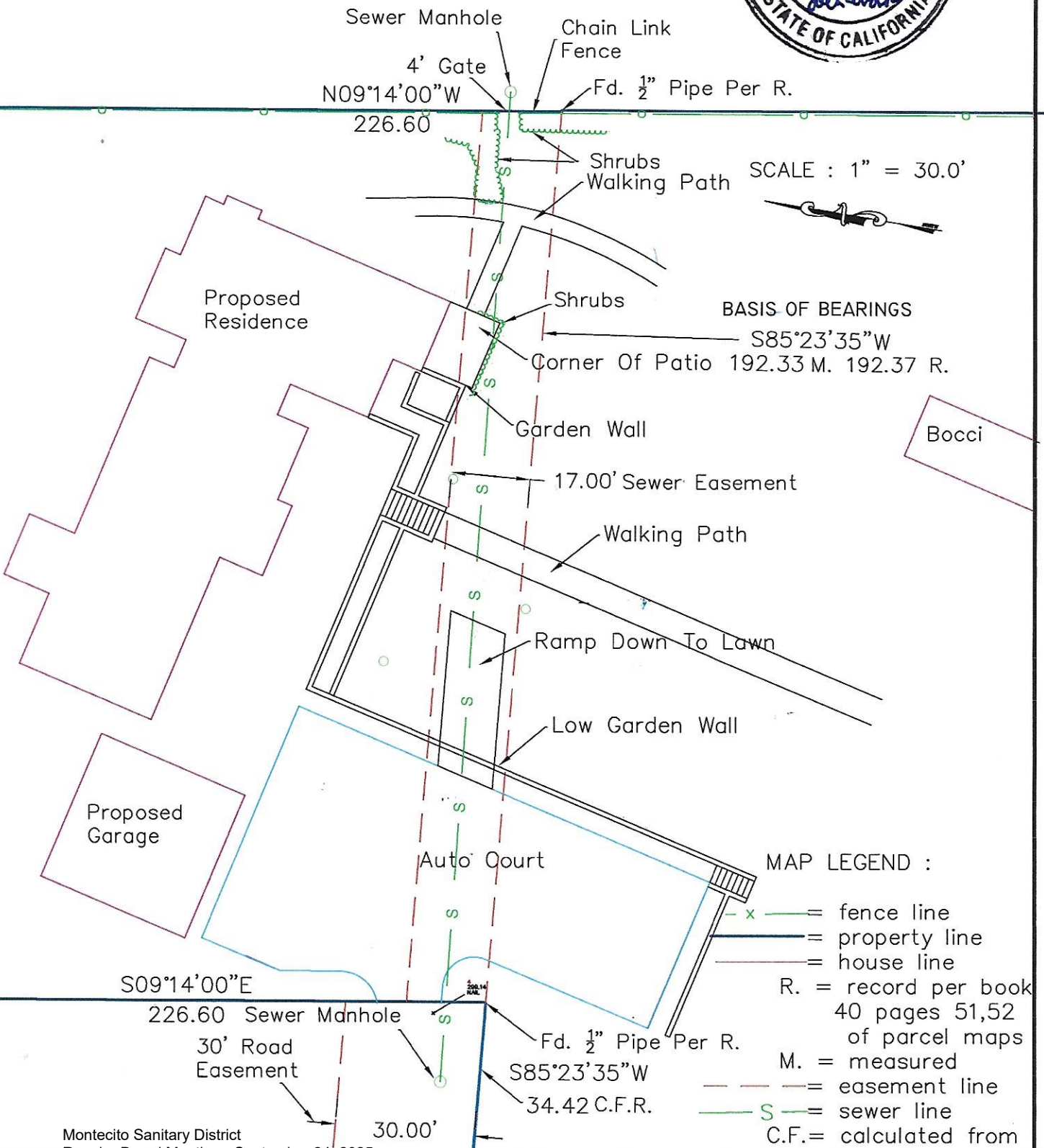
Of 618 Hot Springs Rd. Montecito, Ca.

A.P.N. 011-180-061 Date : 07-22-25

FILE : CAL 03-26

Prepared By : JOEL F. AVAKIAN LAND SURVEYOR L.S. 7324

208 PARK RD. OJAI, CA. 93023 PH. (805) 252-9385



MAP LEGEND :

- x - = fence line
- - - = property line
- - - = house line
- R. = record per book 40 pages 51,52 of parcel maps
- M. = measured
- - - = easement line
- S - = sewer line
- C.F. = calculated from

**RECORDING REQUESTED BY
AND AFTER RECORDATION MAIL TO:**

Montecito Sanitary District
Attn: General Manager
1042 Monte Cristo Lane
Montecito, CA 93108

NO FEE RECORDING PURSUANT TO GOVERNMENT CODE §§ 6103 & 27383

CERTIFICATE OF ACCEPTANCE

(Government Code Section 27281)

This is to certify that the interest in real property conveyed by the First Amendment to Easement dated September 24, 2025, from John C. Esrey and Megan W. Esrey, Trustees of the Esrey Family Trust dated December 21, 2005, to the Montecito Sanitary District, a California independent special district, is hereby accepted by order of the Board of Directors of the Montecito Sanitary District on September 24, 2025, and the grantee consents to the recordation thereof by its duly authorized officer.

Authorized Signatory:

Attest:

Signature: _____

Signature: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____



Montecito Sanitary District

1042 Monte Cristo Lane A Public Service Agency
Santa Barbara, CA 93108

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT – 3D

DATE: September 24, 2025
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Fiscal Year 2024-25 Audit Contract

RECOMMENDATION

It is recommended that the Board:

- 1) Direct the General Manager to execute a letter of engagement with Bartlett, Pringle & Wolfe in the amount of \$26,250 to perform the District's Fiscal Year 2024-25 Annual Financial Audit; and
- 2) Take any such additional, related action that may be desirable.

BACKGROUND

State law and generally accepted accounting principles require that the District engage an independent certified public accounting firm to conduct an annual audit of its financial statements. The audit ensures compliance with applicable regulations, provides accountability to the public, and supports the integrity of the District's financial reporting.

Per the current Board Policy and Procedure Manual, the Board of Directors selects the District's financial auditor. As no such appointment was made during the December 18, 2024 Organizational Meeting the attached engagement letter contract is being brought to the Board for approval. This will allow the auditor and staff to timely begin fieldwork on the Fiscal Year 2024-25 Financial Audit with an estimated completion of prior to the end of the calendar year.

California Government Code §12410.6 sets forth guidelines for audit partner rotation:

"...Commencing with the 2013-14 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years..."

In adherence with this requirement, Barlett, Pringle, and Wolf rotated the District's audit partner beginning with the Fiscal Year 2023-24 Financial Audit. John Britton, CPA, replaced Tracey Solomon, CPA, as the Audit Partner.

FISCAL IMPACT: The \$26,250 audit contract is factored into the Fiscal Year 2024-25 Operations & Maintenance Budget and will not necessitate a budget revision.

ATTACHMENTS: Fiscal Year 2024-25 Engagement Letter



September 22, 2025

John Weigold
Montecito Sanitary District
1042 Monte Cristo Lane
Santa Barbara, CA 93108

Dear John:

The Objective and Scope of the Audit of the Financial Statements

You have requested that Bartlett, Pringle & Wolf, LLP (BPW), audit Montecito Sanitary District's (the District) statements of net position as of June 30, 2025, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter (Arrangement Letter).

The objectives of our audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout each audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider the entity's system of internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of a system of internal control, an unavoidable risk exists that some material misstatements may not be detected by our firm, even though our audit is properly planned and performed in accordance with GAAS.

We will communicate to the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants.

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the District complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and

3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, analysts, regulators, short sellers, vendors, customers or others.

Management is responsible for the preparation of the required supplementary information (RSI) which accounting principles generally accepted in the United States of America (U.S. GAAP) require to be presented to supplement the basic financial statements. Management is also responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with U.S. GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Board of Directors is responsible for informing us of its views about the risks of fraud within the District, and its knowledge of any fraud or suspected fraud affecting the District.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP);
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
4. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of each audit in accordance with the proposed timeline;

- c. Additional information that we may request from management for the purpose of the audits; and
- d. Unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Reporting

We will issue a written report upon completion of the audit of the District's financial statements. Our reports will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

If circumstances arise relating to the condition of the District's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the District's books and records. The District will determine that all such data, if necessary, will be so reflected. Accordingly, the District will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by District personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with Stephen Williams, Business and Administrative Manager. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Accounting Services

In connection with our audit, you have requested us to perform the following accounting services:

1. Assisting with depreciation schedules
2. Proposing year end journal entries relating to accrued expenses, long-term debt, pension benefits and other post employment benefits
3. Drafting the financial statements

Management's responsibilities also include designating qualified individuals with suitable skill, knowledge, and/or experience. John Weigold, General Manager, will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Fees and Costs

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including report processing, travel, and fees for services from other professionals, as well as a charge of five percent (5%) of fees for administrative and technology expenses which includes indirect expenses such as research and library databases, communications, report processing fees, postage, clerical assistance and technology systems and applications. Based on our preliminary estimate, the fee for the audit will be approximately \$25,000 for the year ending June 30, 2025 plus the 5% administrative and technology charge. That estimate is based on anticipated cooperation from your personnel, timely responses to audit requests, and the assumption that unexpected circumstances will not be encountered during the audit. If any of the aforementioned criteria are not met, then fees may increase. Accounting consulting services (described previously under Accounting Services) will be billed separately at our hourly rates plus the 5% administrative and technology charge. Interim billings will be submitted as work progresses and as expenses are incurred.

Use of Subcontractors and Third-Party Products

We may, in our sole discretion, use affiliates of ours or qualified third-party service providers, some of whom may be cloud-based and located within or outside the United States, to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose Confidential Information and Personal Information (as such

terms are defined below) to them. Those third-party service providers and affiliates of BPW we use to assist us in providing services to you are collectively referred to herein as “Subcontractors”. You hereby consent to us sharing your information, including Confidential Information and Personal Information, with our Subcontractors, within and outside of the United States, on the same basis as we would be permitted to share information with one of our employees; provided that such recipients are bound by written obligations of confidentiality. You acknowledge and agree that our use of Subcontractors may involve the processing, input, disclosure, movement, transfer, and storage of your information and data, including Confidential Information and Personal Information, outside of the United States and outside of our technology infrastructure. We will be responsible to you for the performance of our Subcontractors, solely as related to the services performed under this Engagement Letter, subject to all limitations and disclaimers set forth herein.

We also may provide services to you using certain third-party hardware, software, equipment, or products (collectively, “Third-Party Products” and each, individually, a “Third-Party Product”). You acknowledge that the use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by or on behalf of you to us, including Confidential Information and Personal Information, within the Third-Party Product’s infrastructure and not ours, which may result in the access, transfer, disclosure, storage or processing of such information and data outside of the United States. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, “EULA(s)”) will govern all obligations of the licensor of such Third-Party Product relating to data privacy, storage, recovery, security, and processing within such Third-Party Product’s infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein, and you acknowledge and agree that such Plan- or Plan Sponsor-provided data and information may be collected, processed, stored, and used by such licensors for benchmarking, analytics, marketing, and other business purposes in support of the Third-Party Product.

To the extent BPW gives the Company access to a Third-Party Product in connection with the services contemplated herein, the Company agrees to comply with the terms of any applicable EULA for such Third-Party Product, and the Company shall be solely responsible for the improper use of a Third-Party Product or a violation of the applicable EULA for such Third-Party Product by the Company or any user to whom the Company grants access to such Third-Party Product. The Company agrees to indemnify and hold BPW harmless from and against any claims, actions, lawsuits, proceedings, judgments, liens, losses, damages, costs, expenses, fees (including reasonable legal fees, expenses, and costs), and other liabilities relating to, or arising from or out of, the improper use of a Third-

Party Product, or a violation of the terms of the applicable EULA for such Third-Party Product by the Company or any user to whom the Company grants access to such Third-Party Product.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of BPW. For the purposes of this Arrangement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of BPW's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by BPW for the District under this Arrangement Letter, or any documents belonging to the District or furnished to BPW by the District.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable BPW policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in BPW's form. BPW reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the District, the District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

You acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the Audit Documentation upon their request and that we shall maintain the Audit Documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to the requested Audit Documentation will be provided under the supervision of BPW audit personnel and at a location designated by our firm.

Indemnification, Limitation of Liability, and Claim Resolution

Because BPW will rely on the District and its management and Board of Directors to discharge the foregoing responsibilities, the District agrees to indemnify, hold harmless and release BPW and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the District's management.

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration in accordance with the applicable rules for resolving professional accounting and related services disputes of the American Arbitration Association, except that under all circumstances the arbitrator must follow the laws of California. Such arbitration shall be binding and final. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES CHARGED BY THE ACCOUNTANT, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE OR JURY AND INSTEAD WE ARE ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.** The prevailing party shall be entitled to an award of reasonable attorneys' fees and costs incurred in connection with the arbitration of the dispute in an amount to be determined by the arbitrator.

THE DISTRICT AND BPW AGREE THAT NO CLAIM ARISING OUT, FROM, OR RELATING TO THE SERVICES RENDERED PURSUANT TO THIS ARRANGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY BPW OR THE DATE OF THIS ARRANGEMENT LETTER IF NO REPORT HAS BEEN ISSUED. IN NO EVENT SHALL BPW OR THE DISTRICT, OR ANY OF THEIR RESPECTIVE PARTNERS, PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, SUBSIDIARIES, CONTRACTORS, SUBCONTRACTORS, AGENTS, REPRESENTATIVES, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, THE "COVERED PARTIES" AND EACH INDIVIDUALLY, A "COVERED PARTY"), BE LIABLE FOR THE INTERRUPTION OR LOSS OF BUSINESS, ANY LOST PROFITS, SAVINGS, REVENUE, GOODWILL, SOFTWARE, HARDWARE, OR DATA, OR THE LOSS OF USE THEREOF (REGARDLESS OF WHETHER SUCH LOSSES ARE DEEMED DIRECT DAMAGES), OR INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR SIMILAR SUCH DAMAGES, EVEN IF ADVISED

OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ARRANGEMENT LETTER, OR THE REPORT ISSUED OR SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CIRCUMSTANCES OR NATURE OR TYPE OF CLAIM, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A COVERED PARTY'S NEGLIGENCE OR BREACH OF CONTRACT OR WARRANTY, OR RELATING TO OR ARISING FROM A GOVERNMENT, REGULATORY OR ENFORCEMENT ACTION, INVESTIGATION, PROCEEDING, OR FINE, WILL NOT EXCEED THE TOTAL AMOUNT OF THE FEES PAID BY THE DISTRICT TO BPW UNDER THIS ARRANGEMENT LETTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS LIMITATION OF LIABILITY PROVISION SHALL, OR SHALL BE INTERPRETED OR CONSTRUED TO, RELIEVE THE DISTRICT OF ITS PAYMENT OBLIGATIONS TO BPW UNDER THIS ARRANGEMENT LETTER.

Confidentiality

BPW and the District may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, BPW and the District agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter and for no other purpose or use. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, BPW is permitted to disclose the District's Confidential Information to BPW's personnel, agents, and representatives for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

As used herein, the term "Confidential Information" will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party's possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

Data Protection Compliance

Prior to disclosing to us or our Subcontractors or granting us or our Subcontractors with access to your data, you will identify in writing any personal, technical, or other data provided or made accessible to us or our Subcontractors pursuant to this Arrangement Letter that may be subject to heightened protections under applicable statutes, regulations, governmental directives or guidance documents, or other legally binding standards relating to privacy, cybersecurity, export controls, controlled unclassified information, and/or data protection, and will ensure compliance with all such requirements. This includes, but is not limited to, protected health information pursuant to the Health Information Portability and Accountability Act of 1996 (HIPAA), classified or controlled unclassified information subject to the National Industrial Security Program Operating Manual (NISPOM) (which classified information shall not be provided to BPW unless appropriate security clearances have been obtained prior to any such access), marked or unmarked controlled unclassified information (CUI) (subject to any provisions of the NISPOM, the Federal Acquisition

Regulation (FAR) or any FAR supplement, DoD Instruction 5200.48, requirements of the National Archives and Records Administration, or those of the General Services Administration or any other federal government agency), unclassified nuclear technology pursuant to 10 C.F.R. Parts 110 and 810, and exports controlled by the NISPOM, or the Defense Federal Acquisition Regulation Supplement (DFARS), data, information, or items subject to the Export Administration Regulations (EAR), or International Traffic in Arms Regulations (ITAR) controlled data. Unless otherwise expressly agreed upon and specified in writing by BPW and the Plan, you shall not disclose to our Subcontractors, or provide any Subcontractors access to, such data, information, and items, and you shall be responsible for the handling of all such data, information, and items in connection with the performance of the services requested hereunder, including, but not limited to, the scrubbing, de-identification, de-aggregation, protection, encryption, transfer, movement, input, storage, migration, deletion, copying, processing, and modification of such data.

BPW and the Plan acknowledge and agree that they may correspond or convey information and documentation, including Confidential Information and Personal Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, such as, email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect such information. We offer our clients various platforms for the exchange of information. You hereby agree that you shall be bound by and comply with any and all user terms and conditions made available (whether by link, click-through, or otherwise) with respect to such platforms.

Personal Information

As used herein, the term “Personal Information” means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, that directly or indirectly identifies a natural person.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Arrangement Letter.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

To the extent the California Consumer Privacy Act and California Privacy Rights Act, including as amended or replaced, and the associated regulations (CCPA), are applicable, BPW is a “Service Provider” for the Plan as such term is defined by the CCPA. Limited to the applicability of this paragraph, the terms “Personal Information” (or “PI”) and “Consumer” shall have the same meaning as such terms are defined by the CCPA. The Plan may disclose PI to our Subcontractors solely for: (i) a valid and specific business purpose as specified in this Arrangement Letter; and (ii) to perform the services in this Arrangement Letter. For any PI disclosed to BPW by the Plan, or obtained or accessible by an BPW Subcontractor on the Plan’s behalf under this Arrangement Letter, we will not (i) “sell” or “share” the PI (as those terms are defined by the CCPA); (ii) retain, use, or disclose PI for any purpose other than for the specific business purpose as specified in this Arrangement Letter; or (iii) retain, use, or disclose the information outside of the direct business relationship between the parties unless to another service provider as a subcontractor, where the subcontractor meets the requirements for a “Service Provider” under the CCPA. At your written request, and at your cost, we shall reasonably assist you in addressing your obligations under the CCPA with regard to privacy rights requests related to your PI held by us, directly resulting from our business relationship with you. We reserve the right to decline such a request where, as determined in our sole discretion, the request for our assistance could violate or impair a Consumer’s (as that term is defined by the CCPA) rights under the CCPA or another applicable law or regulation, or professional and/or ethical obligation. We certify that we understand and will comply with the requirements enumerated in (i), (ii), and (iii) above.

Retention of Records

It is our policy to keep records related to this engagement for seven years. However, BPW does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

By your signature below, you acknowledge and agree that upon the expiration of the seven-year period BPW shall be free to destroy our records related to this engagement.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, BPW may, at its sole discretion, terminate this arrangement letter without further obligation to CLIENT. Resumption of review work following termination may be subject to our client acceptance procedures and, if resumed, will necessitate additional procedures not contemplated in this arrangement letter. Accordingly, the scope, timing and fee arrangement discussed in this arrangement letter will no longer apply. In order for BPW to recommence work, a new arrangement letter would need to be mutually agreed upon and executed.

We may terminate this Arrangement Letter upon written notice if: (i) we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards; or (ii) you are placed on a verified sanctioned entity list or if any director or executive of, or other person closely associated with, you or any of your affiliates is placed on a verified sanctioned person list, in each case, including, but not limited to, lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the United Nations Security Council, the European Union, or any other relevant sanctioning authority.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

The District agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the District agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate

arrangements may be necessary. The District agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed.

We agree that our association with any proposed offering is not necessary, providing the District agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The District agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

Bartlett, Pringle & Wolf, LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Bartlett, Pringle & Wolf, LLP also has not performed any procedures relating to this official statement.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agrees to compensate us for any additional costs incurred as a result of you employment of one of our partners, principals or employees.

Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between BPW and the District, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

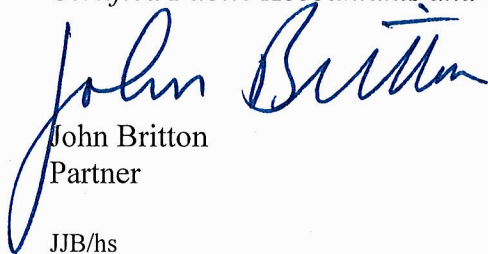
This Arrangement Letter may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which taken together will constitute one and the same instrument. Each party agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect as a manual signature.

Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represents that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

Very truly yours,

BARTLETT, PRINGLE & WOLF, LLP
Certified Public Accountants and Consultants



John Britton
Partner

JJB/hs
Enclosures

Approved:

Signature



Montecito Sanitary District

1042 Monte Cristo Lane
Santa Barbara, CA 93108

A Public Service Agency

Phone: (805) 969-4200
www.montsan.org

MONTECITO SANITARY DISTRICT STAFF REPORT – 6A

DATE: September 24, 2025
TO: Board of Directors
FROM: John Weigold, General Manager
SUBJECT: Labor Negotiations (Government Code §54957.6)

RECOMMENDATION

It is recommended that the Board:

- 1) Approve a Memorandum of Understanding between Montecito Sanitary District and Service Employees International Union (SEIU) Local 620; and
- 2) Approve an updated labor agreement with the Montecito Sanitary District Management Group; and
- 3) Take any such additional, related action that may be desirable.

BACKGROUND

During the General Manager's report at the June 25, 2025 Regular Board Meeting, the General Manager outlined retention and recruitment issues impacting the District, particularly as it relates to the recent loss of staff to neighboring agencies.

The Board received presentations at its July 23, 2025 Regular Board Meeting from Director Newquist and Thomas Widroe regarding employee retention and staff was directed to develop estimated costs for a variety of benefit items for Board consideration. An Ad Hoc Committee consisting of Directors Johnson and Rockenbach was subsequently established to continue this analysis.

The Personnel Committee met to review options and estimated costs for Board consideration at its August 12, 2025 Special Meeting and the Ad Hoc committee met to refine its report prior to delivery to the full Board at its September 11, 2025 Special Board Meeting. The Board met again at a September 15, 2025 Special Meeting and took action on several items for the General Manager in support of the negotiation process.

The General Manager, in his role as labor negotiator, subsequently met with the District's SEIU Local 620 Representative on September 18, 2025 and the parties reached a tentative agreement on terms for the attached Memorandum of Understanding.

FISCAL IMPACT: The additional benefits were not a factor in the Fiscal Year 2025-26 Operations and Maintenance Budget. Once terms have been finalized any budgetary recommendations will be made at the second quarter unaudited financial reports.

ATTACHMENTS:

1. Memorandum of Understanding – Clean Version
2. Memorandum of Understanding – Redline Version



MEMORANDUM OF UNDERSTANDING

Between

MONTECITO SANITARY DISTRICT

and

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620

October 1, 2025 to September 30, 2030

Approved at the September 24, 2025 Board Meeting

TABLE OF CONTENTS

TABLE OF CONTENTS.....ii

1. PURPOSE..... 1

2. RECOGNITION..... 1

3. RIGHTS OF THE PARTIES..... 1

4. UNION SECURITY 2

5. UNION ACCESS, REPRESENTATION & RELEASE TIME 4

6. BULLETIN BOARDS 4

7. SEVERABILITY CLAUSE..... 4

8. NON-DISCRIMINATION 5

9. LABOR/MANAGEMENT COLLABORATION 5

10. CONCLUSIVENESS OF AGREEMENT 5

11. TERM AND RENEWAL..... 5

12. NO STRIKE OF LOCKOUT CLAUSE 6

13. INTRODUCTORY PERIOD 6

14. ANNIVERSARY DATES..... 6

15. COST OF LIVING ADJUSTMENT OF WAGES AND SALARIES (COLA) 7

16. PERFORMANCE APPRAISAL PROGRAM..... 7

17. PROMOTIONS, TRANSFERS AND DEMOTIONS 8

18. EMPLOYEE RECORDS..... 8

19. OUTSIDE EMPLOYMENT 9

20. SEPARATION OF EMPLOYMENT..... 9

21. REDUCTION IN FORCE / LAYOFF10

22. COMPENSATION AND TIMEKEEPING11

23. WORK SCHEDULES, WORK WEEK AND HOURS OF WORK.....11

24. PAY PERIODS AND PAYDAYS12

25. TIMEKEEPING / TIME RECORDS12

26.	REST AND MEAL PERIODS	12
27.	OVERTIME	13
28.	OVERTIME COMPENSATION.....	14
29.	COMPENSATORY (“COMP”) TIME OFF	14
30.	ON CALL / STANDBY PAY.....	14
31.	CALL-BACK PAY	15
32.	ATTENDANCE AND PUNCTUALITY.....	15
33.	SERVICE LENGTH AND PERFORMANCE INCENTIVE AWARDS	16
34.	CERTIFICATION INCENTIVE AWARD PROGRAM.....	16
35.	CERTIFICATION TESTING – TRAVEL	16
36.	EMPLOYMENT BENEFITS	17
37.	RETIREMENT - HEALTH INSURANCE COVERAGE	17
38.	RETIREMENT PLAN.....	18
39.	DEFERRED COMPENSATION PLAN	18
40.	SHORT TERM DISABILITY INSURANCE	19
41.	LONG TERM DISABILITY INSURANCE.....	19
42.	HOLIDAYS	19
43.	VACATION	21
44.	SICK LEAVE.....	23
45.	PAID PERSONAL LEAVE.....	25
46.	KIN CARE	26
47.	BEREAVEMENT LEAVE	26
48.	JURY DUTY.....	27
49.	WITNESS DUTY AND SUBPOENAS.....	27
50.	SEMINAR ATTENDANCE AND CONTINUING EDUCATION	28
51.	GENERAL DRESS CODE	29
52.	GRIEVANCE PROCEDURE	31

1. PURPOSE

It is the purpose of this Memorandum of Understanding to promote and provide for harmonious relations, cooperation, and understanding between management and the employees covered by this Memorandum of Understanding (MOU); to provide an orderly and equitable means of resolving any misunderstanding or differences which may arise under this MOU; and to set forth the full and entire understanding of the parties reached as a result of good faith meeting and conferring regarding the wages, hours, and other terms and conditions of employment covered by the MOU.

The District had promulgated and maintained an Employee Handbook. That Handbook remains in effect, however if any provision of this MOU directly contradicts the Employee Handbook, the provision of this MOU shall prevail. In the event that the District desires to change the employee handbook it shall provide the Union with advanced notice and an opportunity to meet and confer over wages, hours, or terms and conditions of employment.

2. RECOGNITION

The provisions of this Memorandum of Understanding (MOU) have been adopted by approval of the District's Board of Directors on September 24, 2025. The provisions of this MOU constitute a collective bargaining agreement between the Montecito Sanitary District, hereinafter referred to as "District" and Service Employees International Union ("SEIU"), Local 620, hereinafter referred to as "Union."

Pursuant to applicable State laws, Montecito Sanitary District hereby recognizes the Service Employees International Union, Local 620 as the certified majority representative of the employees in the General Bargaining Unit. The term "employee" or "employees" as used herein shall refer only to full-time employees employed by the District (excluding part-time, temporary or extra help) as well as such classes of employees as may be added to the unit hereafter through the provisions of the District's Employer-Employee Relations Resolution and applicable State law. The Union agrees to provide the District's General Manager with a list of Union officers and representatives who are authorized to meet and confer in good faith. In addition, the Union shall provide a list of stewards who can post materials on behalf of the Union. These lists shall be kept current by the Union.

3. RIGHTS OF THE PARTIES

A. EMPLOYEE RIGHTS

Employees of the District shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of District-Employee relations including wages, hours and other terms and conditions of employment. Employees of the District also shall have the right to refuse to join or participate in

the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District but may not enter into any arrangements that are contrary to, modify or abridge any understanding reached between the District and the Recognized Employee Organization certified as exclusive representative for the unit in which the individual is included. Neither the District nor any employee organization shall interfere with, intimidate, restrain, coerce or discriminate against any District employee because of his exercise of Employee Rights hereunder.

B. DISTRICT RIGHTS.

The rights of the District shall include, but are not limited to, the exclusive right to determine the mission of its constituent departments; set standards of service; determine the procedures and standards of selection for employment, promotion and transfer; direct its employees; take disciplinary action for proper cause; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of District operations; determine the methods, means and personnel by which District operations are to be conducted; determine the content of job descriptions and specifications; take all necessary action to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; provided, however, that the exercise of such rights does not preclude employees or their representatives from bargaining impacts with the General Manager about the practical consequences that decisions on these matters may have on wages, hours, benefits, and other terms and conditions of employment.

Before implementing any decisions to contract out work or to transfer work out of the unit, the District shall notify the Union and upon request, meet and confer and bargain the impacts of such decision on the employees' terms and conditions of employment, to the extent such terms and conditions are within the scope of representation.

For purposes of this agreement, "contracting out work" refers to situations in which the District decides to contract out or transfer work out of the unit, which results in the layoff, reduction in hours or otherwise directly impacts the wages, hours, benefits, or other terms and conditions of employment. Furthermore, "contracting out work" shall also refer to situations in which vacant bargaining unit positions are contracted out or transferred out of the unit.

The District reserves the right to take whatever action may be necessary in an emergency situation; however, a Recognized Employee Organization affected by the action shall be notified promptly of any such emergency action which affects matters within the scope of representation.

4. UNION SECURITY

A. PAYROLL DEDUCTIONS

It is agreed that the District will deduct the dues, fees, insurance premiums and Committee of Political Education ("COPE") contributions of employees represented by the Union who have

authorized said deductions in writing on forms prescribed by the Union, and will transmit all such monies to the Union. The written authorization for approved Union programs and the amount of dues or fees deducted from pay checks shall be changed by the District upon written request of the Union when authorized in advance by the employees.

B. MAINTENANCE OF MEMBERSHIP

All regular unit employees who on the effective date of this MOU are members of the Union in good standing and all such employees who thereafter voluntarily become members of the Union shall maintain their membership in the Union in good standing during the term of this MOU, subject however, to the right to resign from membership during the last pay period in January of each year.

The District will not honor cancellations of dues deductions for employees covered by this Agreement during the term of the MOU except during the window period specified above. Any Union member may exercise his/her right to resign by submitting a notice in writing to the Union and to the District during the resignation period.

C. NEW EMPLOYEE ORIENTATION

The District will provide the Union with a list of any new hired employees in the bargaining unit within fifteen (15) days of appointment. The District will provide a Union Representative (understood not to be a District employee but instead a professional representative employed by SEIU) an opportunity to provide the employee an orientation to the information regarding the benefits and obligations of union membership. Such presentation shall not exceed thirty (30) minutes in duration.

D. MAINTENANCE OF BENEFITS

Except as set forth in this Memorandum of Understanding, and unless the Union agrees to reopen negotiations on a particular bargaining subject, the District and the Union agree that there shall be no changes during the life of this Memorandum of Understanding in the wage rates, benefits, or other terms and conditions of employment subject to the meet and confer process established by this Memorandum of Understanding, except by mutual agreement of the parties, or as required by Federal or State law or regulations. The District agrees to meet and confer with the Union on discretionary matters where mandatory changes in Federal or State law would significantly affect terms and conditions of employment within the scope of representation for employees covered by this Memorandum of Understanding.

The District shall notify the Union of any proposed change in District Rules, Regulations, Ordinances or Resolutions on subjects which are beyond the scope of the meet and confer process, but the practical application of which directly affects employees represented by the Union. The District agrees to meet and consult with the Union on any such proposals, upon request of the Union.

The District agrees to provide the Union with the names, department name, job class, title, and worksite location for all employees within Union represented units quarterly upon request from the Union. The District agrees to provide the Union with District e-mail addresses for represented employees and to update the list quarterly upon request from the Union.

5. UNION ACCESS, REPRESENTATION & RELEASE TIME

Union representatives shall have access to represented employees for purposes of Union business on District premises, during the employees' lunch breaks, before and after work shifts, at locations designated by the District. Said representatives shall in no way disrupt the business of the District during such visits.

The District agrees that authorized Union staff representatives shall be given access to work locations during working hours to observe working conditions. Such visits are to be made with the prior knowledge of the General Manager and a management representative may accompany the Union staff member during the visit. The Union shall provide the District with a list of staff members and shall keep the District informed of any changes.

The District and the Union agree that Union officers and representatives will be allowed to participate in meetings with District management on District time for the purpose of meeting and conferring in good faith and without loss of pay or any benefits. It is agreed that not more than two (2) union members will be permitted to participate in official union negotiations with District representatives and that such time be compensated as regular paid time. Not more than two (2) hours off with pay per bargaining session shall be provided to such union members for preparation for bargaining subject to District approval.

6. BULLETIN BOARDS

A bulletin board provided by the Union shall be made available to Union representatives to post information related to Union business. The location shall be readily available to all represented staff.

7. SEVERABILITY CLAUSE

Should any provision of this MOU be held inoperative, void or invalid by any court of competent jurisdiction, by any federal or state legislative or regulatory enactment, the remaining provision of this agreement will not be affected thereby, and the parties shall meet and confer for the sole purpose of arriving at a mutually satisfactory replacement for such provision. The parties' shall endeavor in good faith to reach agreement. If agreement is not reached, any changes from this reopener shall be subject to impasse resolution.

The waiver of any breach, term or condition of the MOU by either party shall not constitute a precedent in the future enforcement of all its terms and conditions.

8. NON-DISCRIMINATION

The provisions of this MOU shall be applied equally to all employees covered hereby without discrimination because of race, color, sex, age and marital status, disability, national origin, religious affiliation, sexual orientation, or Union membership or non-membership.

9. LABOR/MANAGEMENT COLLABORATION

The District and Union desire to mutually encourage a cooperative, collaborative partnership approach to addressing and resolving workplace issues. Further, it is the goal of the District and the Union to provide an opportunity for represented employee and management to promote mutually beneficial relationship through the productive resolution of issues at the department level.

To accomplish these goals, the District and the Union agree that upon the request of either party the General Manager and represented employee (s) will meet to discuss and attempt to resolve issues. The General Manager will involve appropriate personnel as necessary.

10. CONCLUSIVENESS OF AGREEMENT

The provisions contained in this Agreement shall prevail over District practices and procedures and over State laws to the extent permitted by State law.

This Agreement sets forth the full understanding of the parties regarding the matters set forth herein. Any prior Board resolution or ordinance, agreement between the parties, or any agreement between an employee (or group of employees) and a supervisor/manager, which is inconsistent with provisions of this Agreement, is hereby superseded.

11. TERM AND RENEWAL

A. GENERAL

The District and the Union agree that the term of this agreement shall commence following membership ratification and Board adoption, and ending five (5) years after effective date, October 1, 2030. It is further agreed that the term of this agreement may be extended by mutual agreement.

B. RE-OPENER

In the third year of this five-year term, either party may initiate a limited re-opener of the agreement in the month of July, 2028. Said re-opener shall be limited to no more than two (2) items proposed by each party.

Upon notification by either party, negotiations shall commence and may proceed through the full statutory process, including mediation and impasse procedures, if necessary.

All other provisions of the MOU shall remain in full force and effect for the duration of the agreement unless modified by mutual agreement through the limited re-opener process.

12. NO STRIKE OF LOCKOUT CLAUSE

The District and the Union agree that during the term of this agreement the District will not lock-out employees; "Lockout" is defined as the District bars its union represented employees from entering the workplace until a labor dispute is resolved.

The District and the Union agree the Union and represented employees shall not take part in any type of strike (including secondary or sympathy strikes), sick-out, slow down, work stoppage, any other work action, or other concerted activity of any kind which will result in curtailing or restricting District services during the term of this Agreement. The Union agrees not to sanction, encourage, or support any such strikes, work actions, or other concerted activity during the term of this Agreement.

13. INTRODUCTORY PERIOD

The Introductory Period is intended to give new and rehired employees the opportunity to demonstrate their ability to achieve a satisfactory level of adaptation and performance, and to determine whether the new position meets the mutual expectations of the new hire and the District.

All new and rehired employees work on an introductory basis for the first 12 months after their date of hire.

14. ANNIVERSARY DATES

Anniversary date is defined and applied as follows:

A. VACATION OR LONGEVITY PAY

For purposes of computing vacation and longevity pay allowances, the employee's anniversary date will be the starting date of the employee's introductory period.

B. PERFORMANCE REVIEW

A new employee's anniversary date is the starting date of the introductory period. If, at the end of the introductory period, the employee is certified for regular employment, which shall include a salary increase, the effective date of such regular employment becomes the anniversary date for annual performance review purposes.

C. PROMOTIONAL RECLASSIFICATION

When an employee receives a promotional reclassification, the effective date of that reclassification becomes the anniversary date for performance review purposes. At the end of the promotional reclassification introductory period, which shall include a salary increase, the effective date of reclassification becomes the anniversary date for annual performance review purposes.

If, at the end of the introductory period in the new classification, the employee is not certified for regular assignment in the new classification and reverts back to the prior classification, the anniversary date for performance review purposes also reverts back to what it was prior to the promotional reclassification. (In this instance, if the former anniversary date fell within the introductory period for the higher level job, annual review for salary adjustment will be authorized at the time the employee is returned to the former level).

15. COST OF LIVING ADJUSTMENT OF WAGES AND SALARIES (COLA)

Effective the first pay period beginning after July 1 of each calendar year there shall be a cost-of-living adjustment ("COLA") based on the U.S. Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim, CA report for the 12-month period ending on March 31st. Any such COLA shall not be less than 2% and not more than 5%, and shall become effective the first pay period beginning after July 1, and shall apply to the Union Represented Employees pay and other pay-based benefits. The District's adopted salary schedule for Union Represented Employees upon adoption of this MOU is attached as Appendix A.

16. PERFORMANCE APPRAISAL PROGRAM

Every employee will receive a written Employee Performance Report (EPR) from his/her supervisor immediately prior to the completion of any Introductory Period and annually thereafter on or near the employee's anniversary date of employment or of any change in position. Semi-annual progress evaluations may be conducted and discussed with each employee.

The EPR will be discussed by employee and supervisor to cover principal strengths, principal weaknesses, and suggestions for improvement. When employee is eligible for merit increase or promotion, the supervisor shall make a recommendation to the General Manager.

Any EPR which is less than satisfactory will result in the employee becoming ineligible for merit increase, and the employee will be subject to re-evaluation in 3-6 months.

Upon completion, the EPR will become a part of the employee's official personnel file.

17. PROMOTIONS, TRANSFERS AND DEMOTIONS

A. DEFINITIONS

A promotion is defined as a move up in pay grade and position responsibilities and skills; a transfer is defined as a lateral move within the same pay grade; and, a demotion is defined as a move to a lower pay grade position having lesser responsibilities and/or required skills. In the event of a promotion, demotion or transfer, an employee's anniversary date will be adjusted to conform to the date of the promotion, demotion or transfer, and annual EPR will be tied to the new anniversary date.

B. PROMOTIONS

It is the District's desire to promote from within the organization whenever it is operationally efficient and appropriate based on the skills, knowledge and other competencies of employees in light of vacant position requirements and in contrast to external qualified applicants. At the time of promotion, the employee shall receive no less than a typical step increase. The effective date of the reclassification becomes the anniversary date for EPR purposes, but such change will not alter the employee's hire/seniority date.

C. TRANSFERS

Generally, an employee who requests or agrees to a transfer to a similar position with the same or a different department is given preference over external applicants, provided the employee is equally or better qualified, and whose work performance has been exemplary. In order to be eligible for a transfer, an employee must have successfully completed a minimum of 12 months of continuous employment in their current position, unless the managers involved in the transfer mutually agree to waive this requirement. An employee on a Performance Improvement Plan or disciplinary action shall not be considered for transfer unless approved in advance by the General Manager.

D. DEMOTIONS

Demotions may occur when the District determines that they are necessary or appropriate, based on either performance or disciplinary reasons. Demotions may be voluntary or involuntary but in either case the affected employee will be provided with advance notice of the change of classification. However, the District reserves the right to determine, on an individual basis, how a demotion will affect pay and under what circumstances it is in the best interests of the District to demote an employee.

18. EMPLOYEE RECORDS

The District maintains files of current and former employees for up to four years from the date of separation from employment, and restricts disclosure of employee files only to authorized individuals.

Consistent with California Labor Code Section 1198.5, employees shall have access to their personnel records.

Employees shall have the right to have commendations placed in their file upon request.

19. OUTSIDE EMPLOYMENT

Employees may engage in work outside their regular work schedule at the District, provided this work does not detract from their job performance, is not harmful to the District's best interests, and does not present a conflict of interest with their employment at the District.

Any outside employment or business activity must be considered secondary to employment with the District and outside employment or business activity that creates a conflict of interest is prohibited. Employees cannot work for a service provider of the District.

Employees must discuss any outside work or business activities with their department manager prior to submitting a written request to engage in outside employment through the District Administrator and final approval by the General Manager to ensure that a conflict of interest will not arise.

The District's Workers' Compensation Insurance will not pay for illness or injury arising from any outside employment or outside business activity.

Employees who are unable to maintain acceptable performance standards while engaged in any outside employment or business activity may be subject to corrective action, up to and including discharge.

20. SEPARATION OF EMPLOYMENT

Separation of employment can be either voluntary or involuntary and may be initiated either by the employee or the District.

A. VOLUNTARY SEPARATION

When an employee resigns, the separation is considered voluntary. Regular status employees are requested to give advance written notice, including all of the reasons for the resignation, to their supervisor/manager.

B. INVOLUNTARY SEPARATION/DISCHARGE

An involuntary separation/discharge is one that is initiated by the District for any reason other than a reduction in force.

C. JOB ABANDONMENT

If an employee is absent without authorization and/or fails to contact their supervisor, manager, District Administrator or the General Manager for three (3) consecutive workdays, the District will consider the employee to have abandoned his/her position, and a separation

of employment will be processed as a voluntary resignation. Unauthorized absences and absences without advanced approval or notice to the District for any number of missed work days/shifts will be subject to verifiable and acceptable proof of the need for such absence at the sole discretion of the General Manager.

Extraordinary circumstances which prevent employees from returning to work will be considered on a case by case basis and subject to appeal at the sole discretion of the General Manager.

D. FINAL PAY

All accrued and vested pay that is due and payable will be paid upon separation of employment such as final hours worked and unused vacation, unused personal leave time and compensatory time off hours. The employee's final pay will be paid on the next payday following the processing of the normal pay period.

E. RETURN OF DISTRICT PROPERTY

It is the responsibility of any separating employee to return all property issued by the District to him/her at any time during employment that has not previously been returned to the District. All such property, including any keys, uniforms, identification badge, laptop computer, manual, documents, and other items that the employee may have in his/her possession, must be returned within (5) days of the last day of work.

21. REDUCTION IN FORCE / LAYOFF

A layoff is an involuntary termination that is initiated by a unanimous vote of the Board of Directors, as a result of reorganization, position elimination, declining operations/lack of work, or lack of funds and not otherwise caused by the affected employee. Layoffs will be determined by position(s). The decision to lay-off employees is at the sole discretion of the District. In evaluating which similarly situated employees will be laid-off, the District will consider operational necessity and employee seniority at the District.

Notification to Employee: Employees to be laid off shall be given at least ninety (90) calendar days prior notice.

The District agrees to consult with the Union when technological or economic changes occur which result in layoffs or would significantly affect the employees covered by this Memorandum of Understanding. The District shall also provide the Union with a designation of classes affected, the number of positions in the affected classes and an abstract of the employees in the classes affected by the layoff at least ninety (90) calendar days prior to the effective date thereof.

22. COMPENSATION AND TIMEKEEPING

A. BASE SALARY TABLE

The base salary table for all bargaining unit classifications is attached as Exhibit A to this MOU.

B. STEP INCREASES

The Base Salary Table establishes a five-step range of compensation. The employee's EPR as well as time in service at the current step will determine granting of a step increase. Step increases may be granted upon recommendation of the employee's manager and approval by the General District Manager.

23. WORK SCHEDULES, WORK WEEK AND HOURS OF WORK

A. REGULAR

The District's usual office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m., whereas Plant and Field employee general work hours are from 7:00 a.m. to 3:30 p.m. All employees are expected to be at their work locations at the start of their scheduled shifts, ready to engage in the performance of their work. Scheduled work hours are determined by District management and subject to change based on the operational needs of the District. Absent emergency circumstances, the District will provide affected employees with advance notice of any change to their work schedule..

The hours for regular full-time employees are generally 40 hours per week, eight (8) hours per day. The District's designated work week is Monday 12:01 am to Sunday 12:00 pm. The daily and weekly work schedules may vary among District operational areas and may change from time to time to meet the varying conditions of business operations. Employees are to check with their manager regarding their individual work schedules.

B. ALTERNATE WORK SCHEDULE

The District may implement an Alternate Work Schedule under which employees work eighty (80) hours over a two-week pay period in a configuration that best meets operational needs. Specific scheduling formats may vary and shall be determined by the District in consultation with affected employees.

Designated days off, start times, and daily work hours may be adjusted based on operational requirements and shall be established through mutual agreement between the employee and the General Manager. Participation in the Alternative Work Schedule is voluntary and shall not be revoked or modified for arbitrary or capricious reasons. The District retains the discretion to modify scheduling arrangements with reasonable notice to ensure continuity of operations.

C. ON-CALL

On-Call schedules will be posted on District bulletin boards in advance of each workweek.

24. PAY PERIODS AND PAYDAYS

A. PAY PERIODS

Pay periods begin at 12:01 a.m. on every other Monday and end on the second Sunday at midnight.

B. PAY DAYS

Wages are paid on a bi-weekly basis. Paydays are on the Thursday following the close of the last pay period. If a regular payday falls on a holiday, employees will be paid on the preceding business day. Paychecks are provided on paydays to employees in an envelope at work or, upon authorization by employee for direct deposit, an envelope with a copy of the pay stub or, upon written request of an employee, mailed to the home address of employee. Paychecks and pay stubs will not be given to anyone other than employees except with their prior written authorization.

Employees are expected to report any errors in their paycheck to their manager for review and, if approved by the manager, forwarded to the District Administrator for processing on the next payroll unless otherwise approved by the General Manager for special processing in cases of hardship. The District does not permit wage or salary advances on unearned wages to any employee.

25. TIMEKEEPING / TIME RECORDS

A. TIMEKEEPING

It is the responsibility of every non-exempt employee to accurately record time worked. Federal and state laws require the District to keep an accurate record of time worked in order to calculate employee pay, benefits and legally mandated deductions. Time worked is the time actually spent on the job performing assigned duties.

Overtime work must always be approved before it is performed.

It is the employee's responsibility to sign his/her time records certifying the accuracy of all time recorded and verifying that meal periods have been provided and taken. Employees are responsible for the accuracy of their own time records. Altering, falsifying or tampering with timecards, or recording time on another employee's time record is a serious violation of District rules and may result in corrective action, up to and including termination.

26. REST AND MEAL PERIODS

Employees are provided with two 15-minute rest periods, one in the morning and one in the afternoon. These breaks are provided to enable employees to take care of their personal needs and may not be extended, added onto meal breaks, or used to compensate for late arrivals or early departures. Please keep in mind that when employees are not on a break, they are expected to devote their full efforts to their duties. Rest periods will be counted as hours worked so long as they do not exceed 15 minutes in length. Any rest period which exceeds 15 minutes in length without prior approval will be deducted from an employee's hours worked. Further,

any rest periods which exceed 15 minutes in length without approval are in violation of District policy and will be subject to discipline, up to and including termination.

Employees are also provided with a 30-minute meal period during each work day which must be taken within five hours of starting work. Employees are relieved of all duties during their prescribed meal period, generally 30 minutes in length, and are not compensated for that time. Managers will advise their employees regarding their schedule for breaks and meal periods. Employees are responsible for making sure they take their breaks and meal period.

Employees may take on-duty meal periods only in certain circumstances. An on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty; must be agreed to in writing (a waiver) by the employee and their manager; must be paid; and may be revoked at any time in writing by the employee. It is otherwise a violation of District policy for non-exempt employees to work through their meal period.

Employees whose duties require them to work off of District premises are entitled to the same meal periods and rest breaks as other employees. Such breaks shall be taken in a manner which does not interfere with their duties, which does not interfere with the property rights of others, and which does not reflect adversely on the District.

27. OVERTIME

The nature of the District's basic mission to protect public health and preserve the environment make it necessary to provide staff and facilities for unforeseen emergencies and special projects. Therefore all District employees may be required to work overtime hours from time to time. The District will attempt to assign overtime work to employees on a rotating basis whenever possible.

When possible, advance notification of these mandatory assignments will be provided. While such situations are difficult for the District and its employees to anticipate, such requirements will be made based on operational necessity. Employees who refuse to work such overtime shall be subject to corrective action, up to and including discharge, depending upon the circumstances. All overtime work must be pre-approved by the immediate supervisor. Working unauthorized overtime is strictly prohibited.

Non-exempt employees are entitled to overtime pay for all hours worked in excess of 40 hours in one workweek and are paid at a rate of time and one half the employee's regular rate of pay.

The work schedules of some employees may include work on the weekends and hours worked on weekends do not automatically constitute overtime.

28. OVERTIME COMPENSATION

District employees have the right to request compensatory time off (CTO) in lieu of monetary payment as compensation for overtime, but approval of such a request remains the right of the District, consistent with the needs of the District.

29. COMPENSATORY ("COMP") TIME OFF

Upon advance written agreement between a non-exempt employee and the General Manager or designee, non-exempt employees may request the option of selecting compensatory time off (CTO) for overtime hours worked during any workweek in lieu of overtime pay by entering such hours on their timecard. Records will be maintained for each employee's bank of CTO hours, and such time may not exceed 60 hours. Overtime hours of an employee who has reached this maximum will automatically be paid for any further overtime hours until the maximum amount is lowered through the use of paid time off.

CTO hours are banked at the same rate as would normally be paid for such hours; i.e. one and one half hours for each hour of overtime worked and requested by the employee to be banked as CTO within the allowable maximum number of CTO hours.

CTO hours may be taken within a reasonable period after a request for use unless the use of CTO would unduly disrupt the operations of the District.

A leave form requesting the use of banked CTO time must be submitted to the employee's supervisor at least thirty (30) working days prior to the desired time off unless the need for the time off cannot be reasonably anticipated. Requested and approved CTO time off must be taken unless otherwise approved for cancellation by the employee's supervisor.

In cases where operational requirements or scheduling prevent an employee from taking CTO time off, pay in-lieu of CTO may be made only upon special approval by the General Manager.

All accrued and unused CTO hours at the time of an employee's employment separation will be paid at the employee's regular hourly rate of pay and processed with the pay period in which the separation takes place.

30. ON CALL / STANDBY PAY

All on call/standby assignments will be made at the discretion of the Operations Manager, General Manager or designee for specific days, dates, and hours among those employees whose jobs necessitate their availability to independently respond to District operational needs and/or emergencies that may arise during abnormal operating days and hours. Generally, these assignments are made in advance with qualified employees by their supervisor, and to the extent possible on a weekly rotating basis from Monday through Sunday of the following week. However, unexpected conditions may arise when advance notice is not possible whereby, similar to the periodic need for mandatory overtime, applicable employees are expected to assume such assignments as a condition of employment. Any otherwise qualified employee who is in their Introductory Period; has had a formal disciplinary action during the prior six months; or, is on a Performance Improvement Plan is not eligible for on call assignment unless otherwise approved by the General Manager. Likewise, an employee out on any leave is ineligible for On Call/Standby Pay for that day.

If a non-exempt employee is assigned standby duty, their on call/standby time is paid at the following rates.

\$75.00 for each shift on call/standby OR 1.5 hours of CTO for each shift on call/standby.

Such on call pay is compensation paid to an employee for hours in which he/she agrees to respond should there be a requirement to report for work or to respond to a telephone advisory situation. If the on-call/standby employee is required to respond to an on-site operational need, then the employee will also be paid as set forth below.

If the standby employee responds to an emergency and/or call out while on standby duty, the employee is entitled to a minimum of two hours pay. All time required on duty greater than the two-hour minimum will also be compensated at the employee's hourly rate. (See CALL BACK section below)

Employees who are assigned on call/standby duty are expected to use a cell phone to ensure continuous contact during the hours of on-call/standby duty. An employee who is assigned on call/standby duty is expected to remain free from the influence of alcohol, drugs, or other substances which would impair his/her ability to report for duty if called, and to maintain the same state of mental and physical ability as required during regular duty hours.

31. CALL-BACK PAY

Non-exempt employees who are called back to work outside their normally scheduled workweek and/or normally scheduled working hours will be paid a minimum of two hours at the employee's regular pay rate for actual time worked. All hours worked in excess of the employee's 40 hour work week will be paid at the overtime rate of time and one-half the employee's regular rate of pay.

Reasonable meal reimbursement costs will be provided to those employees called back under emergency conditions. For emergency call back, the employee will be required to wear their uniform and appropriate safety equipment necessary to resolve the problem.

Such call-back time shall not include round trip travel time from the employee's residence and shall start to run upon arrival at the District facility ready and able to work. Unless otherwise instructed, employees who are called back to work are to go to the appropriate District facility to pick up a District vehicle in those cases where the nature of the work to be performed is outside District facilities.

32. ATTENDANCE AND PUNCTUALITY

Employees of the District are expected to be punctual and maintain regular attendance. Tardiness and absenteeism place an additional burden on fellow employees and re-scheduling of work assignments. Good attendance is an essential element in determining satisfactory job performance. An unsatisfactory attendance record of tardiness and absences can result in corrective action, up to and including discharge.

An absence is the failure of an employee to be at a designated work area or perform assigned work as required because of a failure to report for work as scheduled, a failure to begin or end a rest break or meal period on time, and/or a departure prior to the end of a workday as scheduled.

For any absence or tardiness, employees who speak to or leave a message with anyone other than their supervisor, manager, District Administrator or the General Manager, do not meet the District's reporting requirements.

An employee who is unable to work due to illness or injury is required to notify his/her supervisor, manager, District Administrator or the General Manager as promptly as possible. When notice is not provided or when the absence exceeds three (3) days, the District may request certification of the need for a leave of absence. Additionally, the District may require a health care provider's written verification that employees are capable of resuming their job responsibilities before being permitted to return to work.

Any falsification, misrepresentation, or other violation of an attendance obligation to the District can result in corrective action, up to and including discharge.

33. SERVICE LENGTH AND PERFORMANCE INCENTIVE AWARDS

All regular employees who have been at the "E" step of their classification for one year or more are eligible to be considered for incentive awards.

Incentive awards are not added to the employee's basic salary range, but rather may be earned annually by exceptional performance. Those receiving incentive awards will receive them as a lump sum payment following their annual performance evaluation.

34. CERTIFICATION INCENTIVE AWARD PROGRAM

This policy applies to employees of the District holding a position which requires an Operators Certification from the State Water Resources Control Board or certification from the California Water Environment Association. If the employee's position with the District requires a certain grade of certification and the employee is working for the District holding a certification at that level, they are eligible to participate in this program.

The employee, under their own initiative, may sit for a certification exam at a grade level that is higher than the one that is a requirement of their employment with the District. Additionally, certification in areas outside the employee's job description may be (upon approval by the General Manager) considered eligible for a Certification Incentive Award. If the employee passes the exam and submits appropriate documentation of their passing to their supervisor and the General Manager, they will receive a payment of \$1,000 from the District. Certification Incentive Award payments are limited to a total of four (4) \$1,000 payments for each employee. Additional Certification Incentive Award payments will be at the discretion of the General Manager.

35. CERTIFICATION TESTING – TRAVEL

Unless approved in advance by the District General Manager, travel to and from Certification Exam Testing locations shall be done in the employees own vehicle, at the employees expense, and all time spent traveling and taking the exam shall be on the employees own time. Requests for Vacation, CTO or Personal Leave will be granted for the purpose of Certification Exam Testing.

36. EMPLOYMENT BENEFITS

A. DISTRICT CONTRIBUTION TO HEALTH AND WELFARE PLANS

The District shall contribute 100% towards an employees medical and other selected insurance plans at the Anthem Blue Cross PPO Plan level, or substantially similar plan, for the employee and his/her eligible dependents.

If the costs of an alternate medical and other selected insurance plans should exceed the maximum contribution by the District, the employee shall pay any amount beyond the maximum allowable through payroll deduction. Employees always pay the monthly insurance premiums for any additional insurance plan coverage they elect for themselves and/or their dependents through regular payroll deductions.

37. RETIREMENT - HEALTH INSURANCE COVERAGE

A. FOR EMPLOYEES HIRED PRIOR TO JULY 1, 2010

Employees hired prior to July 1, 2010 and retiring directly from the District, and filing for retirement benefits through CalPERS, and who meet the eligibility requirements listed below will have their medical coverage up to the "Employee + 1" level continued at the expense of the District until the employee reaches age 65 or otherwise qualifies for Medicare benefits.

In accordance with Cal-COBRA, and the District's insurance provider, medical coverage can be extended an additional 18 months for an eligible dependent of a retired District employee whose eligibility for District paid insurance ceases due to him/her reaching the age of 65. The out-of-pocket cost to the eligible dependent would be determined at the then current rates in effect, plus any additional costs associated with Cal-COBRA coverage.

District policy requires that the following conditions must apply to the retiring employee in order to receive the retirement health benefits described above to be paid for by the District:

1. Employee must be at least 55 years old at the time of retirement
2. Employee must have worked at least 10 or more consecutive years at the District
3. Employee must retire directly from full-time active employment with the District
4. Employee must be separated from employment with the District and placed on the CalPERS Service Retirement Roll
5. Eligible family members include the spouse and dependent children of the retired employee
6. Employee must not be receiving additional medical coverage

B. FOR EMPLOYEES HIRED AFTER JUNE 30, 2010

In accordance with Board Action of May 10, 2010, there is no Retirement Health Insurance Coverage for employees hired after June 30, 2010.

38. RETIREMENT PLAN

A. CAL-PERS DEFINED BENEFIT PLAN

The District participates in the California Public Employees Retirement System (Cal-PERS), a defined benefit retirement program that is integrated with Social Security.

The District's Cal-PERS Classic Plan, for employees hired prior to 1/1/2013 or newly hired employees with reciprocity, is based on the 2% at age 55, highest single year formula Plan. For Classic Cal-PERS employees hired prior to January 1, 2018, the District pays both the District's and employees' monthly contribution to this Plan. For Classic Cal-PERS employees hired on or after January 1, 2018, the employee may be required to pay the employee portion of the CalPERS contribution through regular payroll deductions.

The District's Cal-PERS PEPRA Plan, for employees hired after 12/31/2012, is based on the 2% at age 62, final three year formula Plan. The District does not pay the employee's monthly contribution to this Plan.

Since the Cal-PERS plan is integrated with Social Security, both the District and employees are required to make equal payment contributions to Social Security rates as determined by the Social Security Administration.

Full time employees are eligible for and automatically enrolled in the Cal-PERS Plan effective the first of the month following initial employment. Vesting occurs for each year in which an eligible employee works 1,000 or more hours, and employees become fully vested after the completion of five (5) years of qualified service with the District or other Plan participant in Cal-PERS.

Additional information concerning this Plan can be obtained from the District Administrator or by contacting the Cal-PERS Benefits Section office in Sacramento at 888-225-7377 or by visiting their web site at www.calpers.ca.gov.

39. DEFERRED COMPENSATION PLAN

The District also provides an opportunity for all employees to voluntarily participate in two separate Deferred Compensation (IRS 457) Plans as a supplemental means of investing towards retirement. Employees are eligible to enroll in these plans effective upon their date of hire, and may change contribution amounts or percentage at the end of any pay period. The District makes no contributions into this plan.

Employees may contribute up to the maximum amount or percentage of gross earnings allowed under IRS rules. Employee contributions are generally made on a pre-tax basis, therefore contributions are deducted from the employee's gross taxable wages at the end of each year within limits established by the Plan Administrator and IRS regulations. Employee contributions can be made either by direct payment to their account through the Plan Administrator or through payroll deduction.

Employees having questions or interest in learning more about the eligibility, investment options, contribution limits, and other features of the Deferred Compensation Plans should contact the District Administrator for Plan materials and further information.

40. SHORT TERM DISABILITY INSURANCE

The District pays the cost of a short-term disability (STD) plan for all full-time employees, effective upon the completion of 30 days of employment. IRS has determined that this benefit be considered a taxable cost to each covered employee. This insurance plan provides employees with certain benefits in the event of illness or injury, which is not job-related, up to a maximum period of 180 days following a qualifying period of 30 continuous days of partial or total disability. The benefit amount is dependent on the amount earned by the employee prior to disability and pays 66 2/3% of the first \$2,596 of the employee's Pre-disability Earnings, reduced by Deductible Income such as use of available paid time off, up to a maximum of \$1,731. Not all forms of disability are covered under this Plan.

STD payments are coordinated with any other non-work related disability payments received by an employee, and may be supplemented by accrued sick leave, vacation or paid personal time off taken as part of a medical or disability leave of absence up to a maximum of the employee's normal base pay as such accrued paid time off is available. If all available forms of paid leave are exhausted or not sufficiently accrued for coordination with STD, only STD payments will be made so long as the affected employee complies with all required documentation conditions related to the disability.

STD benefit claim forms and further information pertaining to benefits and limitations are available from the District Administrator or Plan carrier.

41. LONG TERM DISABILITY INSURANCE

The District pays the cost of a long-term disability (LTD) Plan for all full-time employees. This insurance plan provides employees with certain benefits in the event of illness or injury, which is not job-related, up to a maximum period as defined in the Summary Plan Description. The benefit amount is dependent on the amount earned by the employee prior to disability and pays 66 2/3% of normal monthly earnings up to a maximum benefit of \$7,500.00 per month. Not all forms of disability are covered under this Plan. Employees who are covered by the LTD Plan may receive benefits following 180 continuous days of a disabling injury or illness.

LTD payments are coordinated with any other non-work related disability payments received by an employee, and may be supplemented by accrued sick leave, vacation, or paid personal leave taken as part of a medical or disability leave of absence up to a maximum of the employee's normal base pay as such accrued paid time off is available. If all available forms of paid leave are exhausted or not sufficiently accrued for coordination with LTD, only LTD payments will be made so long as the affected employee complies with all required documentation conditions related to the disability.

LTD benefit claim forms and further information pertaining to benefits and limitations are available from the District Administrator or Plan carrier.

42. HOLIDAYS

All employees are eligible for holiday benefits. Full time employees will be eligible beginning on their first day of employment for eight hours holiday pay at their normal hourly rate for each holiday observed by the District.

Eligible employees must work their regularly scheduled workdays before and after a holiday observed by the District in order to be eligible for holiday pay, unless the absence is a pre-approved use of vacation or CTO. If an employee is on an approved paid leave (vacation, paid personal leave, or bereavement) during a recognized holiday, the employee will be paid holiday pay for the holiday rather than applying the type of pre-arranged paid leave to that day.

Each District holiday that falls on a Saturday will be observed on the preceding Friday. Each District holiday that falls on a Sunday will be observed on the preceding Monday. An employee who works an actual or observed holiday will be eligible for paid holiday on that day, but will only be paid once for the holiday, either actual or observed. Employees are provided with the following District recognized paid holidays each calendar year:

- New Year's Day (January 1st)
- Martin Luther King Jr. Day (Third Monday in January)
- Presidents' Day (Third Monday in February)
- Memorial Day (Last Monday in May)
- Independence Day (July 4th)
- Labor Day (First Monday in September)
- Veteran's Day (November 11th)
- Thanksgiving Day (Fourth Thursday in November)
- Day After Thanksgiving Day (Fourth Friday in November)
- Christmas Day (December 25th)

A. PAY FOR HOLIDAYS

Exempt employees receive their regular salary. Non-exempt employees will receive their regular straight time hourly wage rate for the number of hours that they are regularly scheduled to work on the day a holiday is observed by the District. If a holiday falls on a day on which an eligible non-exempt employee is not scheduled to work, they will receive 8 hours of CTO for that holiday.

Paid holiday benefit hours are considered hours worked for purposes of overtime pay eligibility.

B. PAY FOR HOLIDAY HOURS WORKED

Non-exempt employees who are required or authorized to work on a holiday observed by the District shall receive their standard day of holiday pay at their regular hourly rate of pay, and shall additionally be compensated for all hours worked at the rate of one and one-half times their regular hourly rate of pay (e.g., for a full-time employee, a total of 20 hours of pay for an 8-hour day of work). The compensation for hours worked over and above the 8 hours of holiday pay can be accrued as either CTO or paid as Overtime. CTO and Overtime will be calculated at the same rate which would normally be paid for each hour worked (one and one-half times the regular hourly rate of pay).

43. VACATION

The District offers paid vacation benefits that may also be used for rest and relaxation, personal time off due to personal matters or obligations, children’s school activities, religious observances, or for other purposes as defined in this MOU.

A. ELIGIBILITY

Regular full-time employees begin accruing vacation benefits per bi-weekly pay period from their date of hire to their anniversary date of each succeeding year based upon length of continuous service with the District. Newly hired full-time employees may, at the discretion of the General Manager, be awarded service credit based on number of years of prior *related* experience. For purpose of this section, “Related experience” means prior employment in a comparable position in which the employee performed the same, or substantially the same, duties as encompassed by the position for which they are hired by the District. This service credit will be no more than half the number of years’ experience.

Regular full-time employees may begin taking paid vacation time after accruing vacation benefits. No advance paid vacation may be taken. Eligible employees continue to accrue vacation during any authorized paid leave, however vacation time does not accrue during any leave without pay.

For employees hired into permanent employment with the District, based on the length of continuous service, the following vacation accrual schedule is based on regular full-time employees who are regularly scheduled to work at least 40 hours per week.

Length of Service (From Employee’s Hire Date)	Vacation Hours Accrued Per Bi-Weekly Pay Period	Vacation Hours Accrued Per Benefit Year
Date of hire through 2 years	3.077 hours	80 hours
Beginning of 3rd – 8 years	4.615 hours	120 hours
Beginning of 9th – 14 years	6.154 hours	160 hours
Beginning of 15th + years	7.692 hours	200 hours

B. HOLIDAYS OR ILLNESS/INJURY DURING VACATION

If a District observed holiday occurs during a scheduled vacation and employees are otherwise eligible for holiday pay, such employees will be paid for the holiday rather than a vacation day and will be expected to return to work on the date originally authorized by their supervisor. Similarly, if an employee on vacation experiences a bona-fide and verifiable disabling illness or injury that would otherwise qualify for normal and available sick leave time, such time during a vacation may be taken as sick leave upon the employee’s submission of reasonable proof of such illness/injury.

C. SCHEDULING A VACATION

The time at which an employee takes vacation leave is determined by the prior approval of their supervisor with due regard to the employee and the needs of the District. Requests for vacation must be submitted to the employee's immediate supervisor prior to the commencement of the time off, at least 30 calendar days in advance of the date on which the requested vacation would commence. If the need for the vacation cannot be reasonably anticipated, the request for vacation must be submitted as soon as is reasonably possible. Vacation leaves are normally taken in periods of one or more weeks, but may be used in smaller increments with prior approval by management, but not less than one-half hour increments.

Employees shall be given their preference in vacation time within the limits of the vacation schedule established by management who shall establish a system for assignment of vacations, which affords reasonable recognition of seniority. In the event that more than one employee requests the same vacation schedule, the request received and approved first shall have priority.

Vacations longer than three (3) weeks must have prior approval of the General Manager.

Approved vacation leave may be cancelled at any time by the General Manager if it is determined that an emergency will require the services of the employee scheduled to go on leave. All other potential avenues to resolve the emergency will be exhausted prior to cancelling an approved vacation.

D. VACATION PAY

Vacation pay will be based on the employee's regular pay rate in effect at the time such vacation is taken. It does not include overtime or any other forms of compensation. Payment for vacation time will be made on an employee's regularly scheduled payday.

All accrued and unused vacation at the time of an employee's employment separation will be paid at the employee's regular hourly rate of pay on the normal pay date of the pay period in which the separation takes place.

E. ACCRUED AND UNUSED VACATION

Employees are encouraged to use their accrued vacation benefits each calendar year. Regular full- and part-time employees may accrue up to a maximum of two times their annual accrual amount as indicated below based upon full-time employment.

Years of Service Completed (Employee's Anniversary Date)	Maximum Vacation Accrual ("Cap")
Date of hire through 2 years	160 hours (20 days)
Beginning of 3rd – 8 years	240 hours (30 days)
Beginning of 9th – 14 years	320 hours (40 days)
Beginning of 15 th + years	400 hours (50 days)

Employees may receive payment in lieu of vacation but only when their accrued balance is at least 80% of the maximum allowed; no payment will be made for balances below that threshold. Employees must have taken 40 hours of leave in the current calendar year prior to receiving payment for leave in excess of their maximum.

In the event an employee's earned but unused vacation benefit reaches the maximum accrual that is allowed, vacation benefits will cease to accrue until the employee takes enough vacation to lower the maximum accrual entitlement. Vacation benefit accruals will then resume up to the maximum time allowed.

The District reserves the right, if necessary, to designate vacation periods during which employees are expected to schedule their vacations in order to accommodate overall work schedules and/or to ensure employees actually use all of their accrued vacation benefits. The District may also direct an employee to take mandatory vacation time for a specified period if conditions warrant.

44. SICK LEAVE

Sick leave is to be used for absences due to the diagnosis, care, or treatment of an existing health condition or preventative care for an employee or an employee's family member, as described in the Healthy Workplaces, Healthy Families Act of 2014, including medical or doctor appointments, illness or injury, as well as by an employee who is a victim of domestic violence, sexual assault, or stalking for legally protected absences.

Sick leave is a privilege which is to be used only for the purposes described in this policy, and therefore should not be abused or taken merely because there are remaining hours available.

A. ELIGIBILITY, ACCRUAL, AND MAXIMUM ACCUMULATION

All employees are eligible for sick leave benefits. Employees are eligible to accrue paid sick leave benefits up to 96 hours per year and begin accruing sick leave benefits at the rate of 3.692 per bi-weekly pay period from their date of hire. Employees on a leave without pay do not accrue sick leave benefits in any pay period in which the unpaid leave occurs.

Sick leave benefits may be accrued up to a maximum of 120 days (960 hours), after which accrual ceases until the balance of maximum accrued hours falls below the maximum accrual rate.

B. SICK LEAVE NOTIFICATION

An employee who is unable to report to work on a scheduled workday is required to notify his/her supervisor as promptly as reasonably possible. During any period of sick leave absence, the employee may be required to contact their supervisor daily to provide an update on their status and/or expected return to their normal work schedule.

When sick leave must be taken for the illness of a qualified family member, or other allowable reasons not related to the employee's own disability, advance notice of needed sick leave use must be submitted to their supervisor no less than two workdays when practical, or as soon as possible once the need for the sick leave is known.

C. PAYMENTS FOR SICK LEAVE

Sick leave may be taken only to the extent accrued sick leave hours are available. All sick leave payments will be based on an employee's regular pay rate in effect at the time such leave is taken.

Full or partial days off due to illness or injury in excess of accrued sick leave by non-exempt employees may be taken through the use of available CTO, personal leave, vacation or without pay. Exempt employees who have used all of their accrued sick leave benefits must use any other available form of paid leave for full or partial days of absence. The salary of any exempt employee who has exhausted all forms of paid leave will be deducted for absences of one or more full days due to illness or disability.

If an employee remains absent due to an allowable sick leave use beyond their available sick leave hours, the employee shall be required to use available CTO, personal leave or vacation time. If all forms of paid time off are exhausted during any incident of sick leave absence, the General Manager will determine the conditions applicable to the employee's continued absence and determine the action to be taken, subject to applicable law. Such a written decision will be provided to the employee by means of first class mail using the United States Postal Service.

D. CERTIFICATION OF SICK LEAVE

At the discretion of the District, employees who fail to call in to report the need to take sick leave, or who are absent for three (3) or more consecutive days due to illness or injury, may be asked to submit a health care provider's certification to substantiate the use of sick leave. In addition, before an employee may return to work, the District may require a health care provider's written certification that the employee is capable of resuming his/her job responsibilities, or may pay for and order an examination/consultation with a health care provider of the District's choice. Employees are not expected to disclose any diagnosis or confidential medical information, but any material misrepresentations regarding the use of sick leave (e.g., using sick leave for an unqualified absence) may result in corrective action, up to and including discharge.

E. SICK LEAVE PAYOUT

For employees hired prior to January 1, 2018, upon retirement or voluntary termination from the District, unused sick leave up to the maximum accumulation of 120 days shall be paid to the employee in accordance with the following schedule:

<u>Years Worked at the District</u>	<u>Sick Leave to be Paid</u>
1 – 10 years	50%
10 – 20 years	75%
Over 20 years	100%

Sick leave pay will be calculated based on the employee’s current regular hourly rate of pay.

For employees hired on or after January 1, 2018, employees who are discharged from District service are not eligible for sick leave pay-out of any accrued and unused sick leave hours.

45. PAID PERSONAL LEAVE

Paid personal leave days are granted to eligible employees for the express purpose of conducting personal business needs away from the work place and this time is not intended to be used to supplement holidays or vacation. Generally, the use of personal leave is for unexpected personal or family emergencies that necessitate the employee’s absence on short notice to the District.

A. ELIGIBILITY AND ACCRUAL

All regular full employees accrue personal leave days from their date of hire. Personal leave days accrue at the rate of 1.23 hours per pay period (a total of 8.0 hours per quarter), not to exceed 32 hours per year. Paid personal leave in excess of the amount accrued at the time a request for personal leave is made shall not be granted.

Employees continue to accrue paid personal leave during any authorized and compensated leave. No paid personal leave is accrued during any unpaid leave of absence. Paid personal leave may be accumulated up to a maximum amount of six (6) days, (48 hours). Once at the maximum, no additional paid personal leave may be accumulated until the total accumulated paid personal time is reduced below the maximum allowed.

B. SCHEDULING

Paid personal leave may be scheduled by the employee at a time approved by their supervisor, with at least two (2) hours advance notice given by the employee unless the leave is required for emergency reasons. Such leave may be taken in any increments of time, but not less than one-half hour.

C. PAYOUT UPON EMPLOYMENT SEPARATION

All accrued and unused personal leave at the time of an employee’s employment separation will be paid at the employee’s regular hourly rate of pay on the pay date of the pay period in which the separation takes place.

46. KIN CARE

Employees may use up to one-half of their sick leave which would accrue during a year for the purpose of attending to a child, parent, spouse, registered domestic partner, registered domestic partner's child, grandparent, grandchild, or sibling who is ill.

For purposes of sick leave, the following definitions apply:

- A "child" is defined as a biological, foster, adopted, stepchild, or a legal ward. A "child" may also be someone an employee has accepted the duties and responsibilities of raising, even if he/she is not the employee's legal child.
- A "parent" is a biological, foster, adoptive, stepparent, or legal guardian.
- A "spouse" is a legal spouse according to federal law or the laws of California. There is no "common law" spouse in the State of California.
- A "registered domestic partner" is another adult with whom an employee has chosen to share life in an intimate and committed relationship of mutual caring, and with whom the employee has filed a Declaration of Domestic Partnership in the State of California, a copy of which is submitted and maintained in the employee's personnel file.
- A "registered domestic partner's child" is the biological, foster, adopted, stepchild, or legal ward of a domestic partner. A "domestic partner's child" also may be someone for whom a domestic partner has accepted the duties and responsibilities of raising, even if he/she is not the domestic partner's legal child.

All conditions and restrictions placed on an employee's use of sick leave apply also to Kin Care.

47. BEREAVEMENT LEAVE

Consistent with State Law (AB1949), the District provides regular full-time employees with paid Bereavement Leave of up to five work days to prepare arrangements and attend a funeral when there is a death in the employee's immediate family. A request for Bereavement Leave must be made to an employee's immediate supervisor as soon as reasonably possible. Any requests for additional time off in excess of the allowed five days of Bereavement Leave must be submitted to the General Manager as a request for Personal Leave and will be considered on a case by case basis, based upon the needs of the District.

During Bereavement Leave, eligible employees will receive the pay they would have earned for the workdays missed

Immediate family is defined under California AB 1949 and includes an employees spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law.

No other relatives are considered immediate family for purposes of receiving paid bereavement leave under this policy. Employees who have a death of an immediate family member and intend to take bereavement leave must immediately notify their supervisor of their intended absence from work. When possible and practical, a bereavement leave request should be submitted by

the employee prior to taking the leave, otherwise it should be submitted no later than the employee's return to work.

Any other absence for bereavement related conditions, such as the death of a close friend or family member not otherwise qualified for paid bereavement leave, the employee may submit an advance request to use accrued and available vacation, CTO or paid personal leave. To be authorized, such absence request must be approved in advance by the employee's manager and the General Manager.

48. JURY DUTY

Regular, full-time employees who work at least 40 hours per week will receive full pay for up to forty (40) hours of actual Jury Duty service in any 12 month period, plus full pay for any scheduled workday in which the employee is required to be present during the jury selection process.

Within three days of receiving a Jury Duty "call-in" notice, the employee must provide a copy of the notice to his/her manager. Immediate notification must be given to the employee's Supervisor as to the specific dates of service expected by the Court. Employees will need to provide copies of all Jury Duty notices and expected time of service to the District Administrator for their personnel files. The District may submit a request for a postponement in the event that compelling District business reasons make postponement of Jury Duty necessary.

When on Jury Duty, employees must report for work whenever their presence is not required at court, including during "phone in" or "on call" status, or if released by the court early enough to return to work for at least two hours. Employees who cannot report to work due to Jury Duty may be required to show proof of jury service or appearance.

Upon completion of any Jury Duty service, the employee is to submit to their manager verifying documentation from the Court Clerk of the days and hours of Jury Duty attendance. A copy of that information should also be provided to the District Administrator for the personnel file.

Employees who work for a governmental entity, such as the District, may be asked or required by the Court, to waive the normal daily Jury Duty service fee paid by the Court to jurors since eligible employees of the District receive their regular pay for the workdays/hours missed due to Jury Duty service. When the Court issues such a waiver, a copy of the waiver should be given to the District Administrator. Employees who are paid a Jury Duty service fee by the court should submit that service fee to the District upon receipt. Employees selected for Jury Duty service may retain any travel allowance provided by the Court for Jury Duty related travel.

49. WITNESS DUTY AND SUBPOENAS

Employees will be paid their normal wage or salary if required to be a witness or required by a subpoena to appear in court on District business. Employees will not be paid for their time off if summoned to appear in court as a witness or because of a subpoena for any other reason. Use of any available vacation time may be requested for this purpose with two weeks advance notice, and proof of subpoena service, from the employee to their department manager.

50. SEMINAR ATTENDANCE AND CONTINUING EDUCATION

It may be necessary for employees to attend training programs, seminars, conferences, lectures, meetings or other outside activities for the benefit of the District or the individual employee. Attendance at such activities may be required by the District or requested by individual employees. However, attendance will not be considered an officially authorized activity, subject to the following policies on reimbursement and compensation, unless prior written approval has been issued from the General Manager.

To obtain approval, employees wishing to attend an activity must submit a written request to their department supervisor and, if approved, to the General Manager detailing all relevant information, including date, hours, location, cost, expenses, nature, purpose and justification for attendance.

A. SEMINARS

Where attendance is required or authorized by the District, the District will reimburse reasonable expenses that generally include registration fees, materials, meals, transportation and parking. Reimbursement policies regarding these expenses should be discussed with the employee's supervisor or the General Manager in advance. Employee attendance at any required outside activities will be considered time worked and will be compensated in accordance with normal payroll practices. Employees will not be paid for time spent attending outside activities when attendance has not been requested by the District.

B. CONTINUING EDUCATION

Eligible regular full-time employees are those who have completed one year of continuous District employment and who either:

- Desire to advance professional knowledge by taking undergraduate or graduate level courses in a field of study related to their job assignment or in a field to be of long-range value to the District; or,
- Desire to advance professional knowledge by taking courses that are directly related to the employee's current job assignment or some job assignment to which they may logically advance.

The District will consider applications for financial assistance to cover tuition and certain other costs of a broad range of educational courses that may be taken by its staff outside of office hours. Such assistance will be dependent upon available funds budgeted for this purpose and advance approval of the General Manager. If the employee is requested by the District to take an educational course, the employee will be paid for his/her time if the course is taken during normal business hours.

Upon completion of the course(s), employees must submit evidence of a grade "C" or better. In the case of a seminar or certificate program where no grade is assigned, proof of completion of the course would be required. Should the employee receive an unsatisfactory grade or less than

a "C," the money would be forfeited and the employee would be ineligible to participate in the program for the rest of the year.

A record from the educational institution of the grade received, or other evidence of course attendance and completion, must be submitted.

Seminars and other educational experiences in which an employee desires to participate, and involves any form of District subsidy, will be considered for approval on an individual and purely discretionary basis.

Membership in a Professional Organization

Professional development is also provided through membership and participation in organizations relating to the employee's area of responsibility. Participation in professional organizations benefits both the District and the employee by providing:

- Information on new laws, procedures and policies;
- Information on issues of importance to the profession;
- Opportunity to increase knowledge and resources in the profession which benefits the District; and,
- Professional and personal development.

An employee may elect to become a member of professional organizations for which he/she assumes responsibility for membership fees. However, if the District is to be responsible for the employee's membership fees, the membership decision shall be determined by his/her manager and, if accepted, referred to the General Manager for final consideration.

Involvement in professional organizations will not take precedence over job responsibilities.

51. GENERAL DRESS CODE

At the District, professional image is important and is maintained, in part, by the image that employees present to customers, visitors, vendors, and others in our business. No one has a second chance at a first impression. Employees are expected to consistently utilize good judgment in determining dress and appearance on a daily basis. In choosing appropriate work attire, employees should consider tastefulness, public contact, the nature of the job, and working conditions.

The District expects all employees to be appropriately dressed and groomed at all times. It is, however, the responsibility of each supervisor to communicate the District's dress code standards to all current employees and each new employee as he/she is hired. Employees are expected to check with their supervisor if they are unsure about the appropriateness of their attire or grooming.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. Office employees may dress in business casual attire. Business casual attire includes, but is not limited to, slacks, khakis, clean cut jeans, sport shirts, skirts and dresses, turtlenecks, sweaters, loafers, and walking shoes.

Due to the effect it has on others, employees are also expected to refrain from the use of cologne or perfume and excessive make-up. Generally, male employees are expected to remain clean shaven, however for those employees where safety is not a consideration, facial hair may be acceptable if it is well groomed.

Specific attire that is unacceptable for office personnel includes:

- T-Shirts
- Sweat Pants and Shirts or Workout Attire
- Tank Tops
- Muscle Shirts
- Shorts
- Beach Thongs or Slippers
- Torn or Patched Clothing
- Revealing Attire
- Halter Tops
- Sheer Clothing
- Bare Midriffs
- Baggy, Saggy or Ripped Pants
- Jeans/Pants with Holes, Tears or similar condition considered to be in bad taste or otherwise unsuitable
- Low Cut or Off-the-Shoulder Attire
- Clothes with Inappropriate, Profane, or Offensive Slogans or Pictures

Non-Compliance

Employees who are inappropriately dressed may be sent home and directed to return to work in the proper attire. Employees will not be compensated for the time away from work. Employees who violate the District's dress code policy and/or grooming standards will be subject to corrective action, up to and including termination.

UNIFORMED EMPLOYEES

Uniform apparel required to be worn by designated employees is provided and maintained by the District. Uniforms must be worn during all work hours, excluding attendance at District approved conferences, workshops and similar business related activities where uniformed employees may wear business casual attire.

As part of each uniformed employee's work schedule, all such employees will be allowed up to 15 minutes at the end of each workday to shower and change into their personal clothing. Such time may not be added to meals, breaks, or to shorten the workday. Uniforms are to be left at the District facility at the conclusion of each workday and must be turned in before an employee leaves District premises.

Safety Boot Allowance

The District shall reimburse designated employees up to a maximum of \$350 (per set of boots) per year for the purchase, repair or replacement of required safety (steel-toed unless otherwise approved) boots, beginning at the time of initial employment. Additional sets of boots may be reimbursed subject to supervisor approval.

As determined by the District, other required or necessary safety equipment will be supplied on an as needed basis for the safety of District employees. Qualified employees must submit an acceptable receipt to the District Administrator in order to be reimbursed for this cost, and the safety or protective boot must meet District requirements. Safety boots reimbursed by the District may not be worn outside of work hours since doing so reduces the work-related use and condition of the boots.

52. GRIEVANCE PROCEDURE

A. GRIEVANCE DEFINED

A grievance shall be defined as a claim by an employee or group of employees adversely affected by an alleged violation, misinterpretation or misapplication of Memoranda of Understanding, policy or practices of District rules, or side-letters of agreement applicable to the employee.

Employees who use the following procedure in good faith are protected against unlawful retaliation or reprisal.

B. TIME OFF FOR PROCESING OF GRIEVANCE PROCEDURES

The grievant and/or his/her Union steward shall be granted reasonable time off with pay from regularly scheduled duty hours to meet with union, process a grievance, provided that the time off will be devoted to the prompt and efficient investigation and handling of grievances and does not exceed one hour.

Before performing any grievance work during scheduled duty hours a grievant or a grievant's steward shall obtain permission from his supervisor and shall report back to his supervisor when the grievance work is completed.

C. TIME LIMITS

Time limits specified in the Grievance Procedure may be extended by mutual consent, in writing, of the grievant and/or the Union Representative, and the District.

Failure by a grievant or the Union Representative to file an appeal within the specified time limits provided in the Grievance Procedure, unless extended, shall constitute acceptance of the decision rendered at the lower level and the grievance shall not be subject to further appeal or reconsideration.

Failure by management to respond to the employee's grievance within the time limit specified automatically grants to the employee or his representative the right to process the grievance to the next level.

D. GRIEVANCE PROCEDURE

The District encourages all employees to discuss any work-related problems or concerns with their immediate supervisor prior to escalating to the formal grievance procedure. Resolving problems early often prevents misunderstandings that occur when communications break down.

- I. Meet with the Department Manager: Within 10 working days of unsatisfactory resolution at the informal step, report the problem or dissatisfaction to your immediate manager in writing, including what relief is being sought. Within ten (10) business days, the manager will attempt to resolve the problem to the mutual satisfaction of all concerned and shall provide a written response to the employee..
- II. Refer the Problem to the General Manager: If the grievance is not resolved or an answer not forthcoming within 10 working days of receiving the manager's response that does not resolve the problem to the reasonable satisfaction of the employee, the employee may submit a written request for review by the General Manager or designee. The General Manager or designee will discuss the problem with the employee and any other concerned party within 10 working days of receiving the written request for review, and shall respond in writing and verbally to the affected employee within 10 working days thereafter. If the employee is still not satisfied with the decision, he/she may file a written request for appeal to the District's Board of Directors within 10 working days of receiving the General Manager's or designee's response.
- III. Mediation: If the grievance is not satisfactorily resolved at the District General Manager level the grievant may submit within 10 working days of the District General Manager written decision, a request for mediation. Within 10 working days of receipt of the request, the grievant will submit a request for mediation with the State Mediation & Conciliation Service and provide the District with a copy of the request.
- IV. Refer the Problem for Appeal to the Board of Directors: Upon the timely receipt by the General Manager of an employee's appeal to have the matter reviewed by the Board of Directors (or their designee), a meeting of the Board of Directors with the employee and any others deemed appropriate to conditions, along with all related documentation will be arranged within 10 working days. Unless requested otherwise, such appeals to the Board of Directors shall be arranged as closed session with the Chairperson acting as a voting hearing officer. Also, unless it is mutually agreed that additional time is needed for further investigation into the matter, the Chairperson shall respond and notify the employee in writing of the District's response to the problem or complaint within 30 calendar days following the evidentiary

meeting. For purposes of internal resolution of employment related problems as defined above, the decision of the Board of Directors shall be considered final.

The District Administrator or General Manager shall be responsible for the processing, monitoring and guidance of this problem solving process to objectively ensure its timely and equitable administration.

Employees who do not feel comfortable discussing a problem or concern with their manager may discuss the matter privately with the General Manager who can advise employees on a proper course of action. Likewise, employees who feel they have experienced retaliation as a result of reporting a problem or filing a complaint should immediately contact the General Manager.

MEMORANDUM OF UNDERSTANDING

Between

MONTECITO SANITARY DISTRICT

and

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620

October 1, 2025 to September 30, 2030

Deleted: July

Deleted: /

Deleted: 2

Deleted: February 8

Deleted: 2026

Approved at the September 24, 2025 Board Meeting

Deleted: the February 8, 2023

Deleted: 10358334.3 MO003-003

i

TABLE OF CONTENTS

Field Code Changed

TABLE OF CONTENTS.....ii

1. PURPOSE..... 1

2. RECOGNITION..... 1

3. RIGHTS OF THE PARTIES..... 1

4. UNION SECURITY 2

5. UNION ACCESS, REPRESENTATION & RELEASE TIME 4

6. BULLETIN BOARDS 4

7. SEVERABILITY CLAUSE..... 4

8. NON-DISCRIMINATION 5

9. LABOR/MANAGEMENT COLLABORATION 5

10. CONCLUSIVENESS OF AGREEMENT 5

11. TERM AND RENEWAL..... 5

12. NO STRIKE OF LOCKOUT CLAUSE 6

13. INTRODUCTORY PERIOD 6

14. ANNIVERSARY DATES..... 6

15. COST OF LIVING ADJUSTMENT OF WAGES AND SALARIES (COLA) 7

16. PERFORMANCE APPRAISAL PROGRAM..... 7

17. PROMOTIONS, TRANSFERS AND DEMOTIONS 8

18. EMPLOYEE RECORDS..... 8

19. OUTSIDE EMPLOYMENT 9

20. SEPARATION OF EMPLOYMENT..... 9

21. REDUCTION IN FORCE / LAYOFF10

22. COMPENSATION AND TIMEKEEPING11

23. WORK SCHEDULES, WORK WEEK AND HOURS OF WORK.....11

24. PAY PERIODS AND PAYDAYS12

25. TIMEKEEPING / TIME RECORDS12

Deleted: 10358334.3 MO003-003

26.	REST AND MEAL PERIODS	12
27.	OVERTIME	13
28.	OVERTIME COMPENSATION.....	14
29.	COMPENSATORY (“COMP”) TIME OFF	14
30.	ON CALL / STANDBY PAY.....	14
31.	CALL-BACK PAY	15
32.	ATTENDANCE AND PUNCTUALITY.....	15
33.	SERVICE LENGTH AND PERFORMANCE INCENTIVE AWARDS	16
34.	CERTIFICATION INCENTIVE AWARD PROGRAM.....	16
35.	CERTIFICATION TESTING – TRAVEL	16
36.	EMPLOYMENT BENEFITS	17
37.	RETIREMENT - HEALTH INSURANCE COVERAGE	17
38.	RETIREMENT PLAN.....	18
39.	DEFERRED COMPENSATION PLAN	18
40.	SHORT TERM DISABILITY INSURANCE	19
41.	LONG TERM DISABILITY INSURANCE.....	19
42.	HOLIDAYS	19
43.	VACATION	21
44.	SICK LEAVE.....	23
45.	PAID PERSONAL LEAVE.....	25
46.	KIN CARE	26
47.	BEREAVEMENT LEAVE	26
48.	JURY DUTY.....	27
49.	WITNESS DUTY AND SUBPOENAS	27
50.	SEMINAR ATTENDANCE AND CONTINUING EDUCATION	28
51.	GENERAL DRESS CODE	29
52.	GRIEVANCE PROCEDURE	31

Deleted: 10358334.3 MO003-003

1. PURPOSE

It is the purpose of this Memorandum of Understanding to promote and provide for harmonious relations, cooperation, and understanding between management and the employees covered by this Memorandum of Understanding (MOU); to provide an orderly and equitable means of resolving any misunderstanding or differences which may arise under this MOU; and to set forth the full and entire understanding of the parties reached as a result of good faith meeting and conferring regarding the wages, hours, and other terms and conditions of employment covered by the MOU.

The District had promulgated and maintained an Employee Handbook. That Handbook remains in effect, however if any provision of this MOU directly contradicts the Employee Handbook, the provision of this MOU shall prevail. In the event that the District desires to change the employee handbook it shall provide the Union with advanced notice and an opportunity to meet and confer over wages, hours, or terms and conditions of employment.

2. RECOGNITION

The provisions of this Memorandum of Understanding (MOU) have been adopted by approval of the District's Board of Directors on September 24, 2025. The provisions of this MOU constitute a collective bargaining agreement between the Montecito Sanitary District, hereinafter referred to as "District" and Service Employees International Union ("SEIU"), Local 620, hereinafter referred to as "Union."

Deleted: February 8, 2023

Pursuant to applicable State laws, Montecito Sanitary District hereby recognizes the Service Employees International Union, Local 620 as the certified majority representative of the employees in the General Bargaining Unit. The term "employee" or "employees" as used herein shall refer only to full-time employees employed by the District (excluding part-time, temporary or extra help) as well as such classes of employees as may be added to the unit hereafter through the provisions of the District's Employer-Employee Relations Resolution and applicable State law. The Union agrees to provide the District's General Manager with a list of Union officers and representatives who are authorized to meet and confer in good faith. In addition, the Union shall provide a list of stewards who can post materials on behalf of the Union. These lists shall be kept current by the Union.

3. RIGHTS OF THE PARTIES

A. EMPLOYEE RIGHTS

Employees of the District shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of District-Employee relations including wages, hours and other terms and conditions of employment. Employees of the District also shall have the right to refuse to join or participate in

Deleted: 10358334.3 MO003-003

the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District but may not enter into any arrangements that are contrary to, modify or abridge any understanding reached between the District and the Recognized Employee Organization certified as exclusive representative for the unit in which the individual is included. Neither the District nor any employee organization shall interfere with, intimidate, restrain, coerce or discriminate against any District employee because of his exercise of Employee Rights hereunder.

B. DISTRICT RIGHTS.

The rights of the District shall include, but are not limited to, the exclusive right to determine the mission of its constituent departments; set standards of service; determine the procedures and standards of selection for employment, promotion and transfer; direct its employees; take disciplinary action for proper cause; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of District operations; determine the methods, means and personnel by which District operations are to be conducted; determine the content of job descriptions and specifications; take all necessary action to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work; provided, however, that the exercise of such rights does not preclude employees or their representatives from bargaining impacts with the General Manager about the practical consequences that decisions on these matters may have on wages, hours, benefits, and other terms and conditions of employment.

Before implementing any decisions to contract out work or to transfer work out of the unit, the District shall notify the Union and upon request, meet and confer and bargain the impacts of such decision on the employees' terms and conditions of employment, to the extent such terms and conditions are within the scope of representation.

For purposes of this agreement, "contracting out work" refers to situations in which the District decides to contract out or transfer work out of the unit, which results in the layoff, reduction in hours or otherwise directly impacts the wages, hours, benefits, or other terms and conditions of employment. Furthermore, "contracting out work" shall also refer to situations in which vacant bargaining unit positions are contracted out or transferred out of the unit.

The District reserves the right to take whatever action may be necessary in an emergency situation; however, a Recognized Employee Organization affected by the action shall be notified promptly of any such emergency action which affects matters within the scope of representation.

4. UNION SECURITY

A. PAYROLL DEDUCTIONS

It is agreed that the District will deduct the dues, fees, insurance premiums and Committee of Political Education ("COPE") contributions of employees represented by the Union who have

Deleted: 10358334.3 MO003-003

authorized said deductions in writing on forms prescribed by the Union, and will transmit all such monies to the Union. The written authorization for approved Union programs and the amount of dues or fees deducted from pay checks shall be changed by the District upon written request of the Union when authorized in advance by the employees.

B. MAINTENANCE OF MEMBERSHIP

All regular unit employees who on the effective date of this MOU are members of the Union in good standing and all such employees who thereafter voluntarily become members of the Union shall maintain their membership in the Union in good standing during the term of this MOU, subject however, to the right to resign from membership during the last pay period in January of each year.

The District will not honor cancellations of dues deductions for employees covered by this Agreement during the term of the MOU except during the window period specified above. Any Union member may exercise his/her right to resign by submitting a notice in writing to the Union and to the District during the resignation period.

C. NEW EMPLOYEE ORIENTATION

The District will provide the Union with a list of any new hired employees in the bargaining unit within fifteen (15) days of appointment. The District will provide a Union Representative (understood not to be a District employee but instead a professional representative employed by SEIU) an opportunity to provide the employee an orientation to the information regarding the benefits and obligations of union membership. Such presentation shall not exceed thirty (30) minutes in duration.

D. MAINTENANCE OF BENEFITS

Except as set forth in this Memorandum of Understanding, and unless the Union agrees to reopen negotiations on a particular bargaining subject, the District and the Union agree that there shall be no changes during the life of this Memorandum of Understanding in the wage rates, benefits, or other terms and conditions of employment subject to the meet and confer process established by this Memorandum of Understanding, except by mutual agreement of the parties, or as required by Federal or State law or regulations. The District agrees to meet and confer with the Union on discretionary matters where mandatory changes in Federal or State law would significantly affect terms and conditions of employment within the scope of representation for employees covered by this Memorandum of Understanding.

The District shall notify the Union of any proposed change in District Rules, Regulations, Ordinances or Resolutions on subjects which are beyond the scope of the meet and confer process, but the practical application of which directly affects employees represented by the Union. The District agrees to meet and consult with the Union on any such proposals, upon request of the Union.

Deleted: 10358334.3 MO003-003

The District agrees to provide the Union with the names, department name, job class, title, and worksite location for all employees within Union represented units quarterly upon request from the Union. The District agrees to provide the Union with District e-mail addresses for represented employees and to update the list quarterly upon request from the Union.

5. UNION ACCESS, REPRESENTATION & RELEASE TIME

Union representatives shall have access to represented employees for purposes of Union business on District premises, during the employees' lunch breaks, before and after work shifts, at locations designated by the District. Said representatives shall in no way disrupt the business of the District during such visits.

The District agrees that authorized Union staff representatives shall be given access to work locations during working hours to observe working conditions. Such visits are to be made with the prior knowledge of the General Manager and a management representative may accompany the Union staff member during the visit. The Union shall provide the District with a list of staff members and shall keep the District informed of any changes.

The District and the Union agree that Union officers and representatives will be allowed to participate in meetings with District management on District time for the purpose of meeting and conferring in good faith and without loss of pay or any benefits. It is agreed that not more than two (2) union members will be permitted to participate in official union negotiations with District representatives and that such time be compensated as regular paid time. Not more than two (2) hours off with pay per bargaining session shall be provided to such union members for preparation for bargaining subject to District approval.

6. BULLETIN BOARDS

A bulletin board provided by the Union shall be made available to Union representatives to post information related to Union business. The location shall be readily available to all represented staff.

7. SEVERABILITY CLAUSE

Should any provision of this MOU be held inoperative, void or invalid by any court of competent jurisdiction, by any federal or state legislative or regulatory enactment, the remaining provision of this agreement will not be affected thereby, and the parties shall meet and confer for the sole purpose of arriving at a mutually satisfactory replacement for such provision. The parties' shall endeavor in good faith to reach agreement. If agreement is not reached, any changes from this reopener shall be subject to impasse resolution.

The waiver of any breach, term or condition of the MOU by either party shall not constitute a precedent in the future enforcement of all its terms and conditions.

Deleted: 10358334.3 MO003-003

8. NON-DISCRIMINATION

The provisions of this MOU shall be applied equally to all employees covered hereby without discrimination because of race, color, sex, age and marital status, disability, national origin, religious affiliation, sexual orientation, or Union membership or non-membership.

9. LABOR/MANAGEMENT COLLABORATION

The District and Union desire to mutually encourage a cooperative, collaborative partnership approach to addressing and resolving workplace issues. Further, it is the goal of the District and the Union to provide an opportunity for represented employee and management to promote mutually beneficial relationship through the productive resolution of issues at the department level.

To accomplish these goals, the District and the Union agree that upon the request of either party the General Manager and represented employee (s) will meet to discuss and attempt to resolve issues. The General Manager will involve appropriate personnel as necessary.

10. CONCLUSIVENESS OF AGREEMENT

The provisions contained in this Agreement shall prevail over District practices and procedures and over State laws to the extent permitted by State law.

This Agreement sets forth the full understanding of the parties regarding the matters set forth herein. Any prior Board resolution or ordinance, agreement between the parties, or any agreement between an employee (or group of employees) and a supervisor/manager, which is inconsistent with provisions of this Agreement, is hereby superseded.

11. TERM AND RENEWAL

A. GENERAL

The District and the Union agree that the term of this agreement shall commence following membership ratification and Board adoption, and ending five (5) years after effective date, October 1, 2030. It is further agreed that the term of this agreement may be extended by mutual agreement.

Deleted: ratification
Deleted: February 8, 2026

B. RE-OPENER

Deleted: e-opener

In the third year of this five-year term, either party may initiate a limited re-opener of the agreement in the month of July, 2028. Said re-opener shall be limited to no more than two (2) items proposed by each party.

Deleted: 10358334.3 MO003-003

[Upon notification by either party, negotiations shall commence and may proceed through the full statutory process, including mediation and impasse procedures, if necessary.](#)

[All other provisions of the MOU shall remain in full force and effect for the duration of the agreement unless modified by mutual agreement through the limited re-opener process.](#)

12. NO STRIKE OF LOCKOUT CLAUSE

The District and the Union agree that during the term of this agreement the District will not lock-out employees; "Lockout" is defined as the District bars its union represented employees from entering the workplace until a labor dispute is resolved.

The District and the Union agree the Union and represented employees shall not take part in any type of strike (including secondary or sympathy strikes), sick-out, slow down, work stoppage, any other work action, or other concerted activity of any kind which will result in curtailing or restricting District services during the term of this Agreement. The Union agrees not to sanction, encourage, or support any such strikes, work actions, or other concerted activity during the term of this Agreement.

13. INTRODUCTORY PERIOD

The Introductory Period is intended to give new and rehired employees the opportunity to demonstrate their ability to achieve a satisfactory level of adaptation and performance, and to determine whether the new position meets the mutual expectations of the new hire and the District.

All new and rehired employees work on an introductory basis for the first 12 months after their date of hire.

14. ANNIVERSARY DATES

Anniversary date is defined and applied as follows:

A. VACATION OR LONGEVITY PAY

For purposes of computing vacation and longevity pay allowances, the employee's anniversary date will be the starting date of the employee's introductory period.

B. PERFORMANCE REVIEW

A new employee's anniversary date is the starting date of the introductory period. If, at the end of the introductory period, the employee is certified for regular employment, which shall include a salary increase, the effective date of such regular employment becomes the anniversary date for annual performance review purposes.

Deleted: 10358334.3 MO003-003

C. PROMOTIONAL RECLASSIFICATION

When an employee receives a promotional reclassification, the effective date of that reclassification becomes the anniversary date for performance review purposes. At the end of the promotional reclassification introductory period, which shall include a salary increase, the effective date of reclassification becomes the anniversary date for annual performance review purposes.

If, at the end of the introductory period in the new classification, the employee is not certified for regular assignment in the new classification and reverts back to the prior classification, the anniversary date for performance review purposes also reverts back to what it was prior to the promotional reclassification. (In this instance, if the former anniversary date fell within the introductory period for the higher level job, annual review for salary adjustment will be authorized at the time the employee is returned to the former level).

15. COST OF LIVING ADJUSTMENT OF WAGES AND SALARIES (COLA)

Effective the first pay period beginning after July 1 of each calendar year, there shall be a cost-of-living adjustment ("COLA") based on the U.S. Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U), Los Angeles-Long Beach-Anaheim, CA report for the 12-month period ending on March 31st. Any such COLA shall not be less than 2% and not more than 5%, and shall become effective the first pay period beginning after July 1, and shall apply to the Union Represented Employees pay and other pay-based benefits. The District's adopted salary schedule for Union Represented Employees upon adoption of this MOU is attached as Appendix A.

Deleted: 2022
Deleted: (Pay Period Ended 7/24/2022)
Deleted: there shall be an across-the-board pay increase for all Union Represented Employees of 5.5%. In subsequent years of this MOU, effective in July of each year,

16. PERFORMANCE APPRAISAL PROGRAM

Every employee will receive a written Employee Performance Report (EPR) from his/her supervisor immediately prior to the completion of any Introductory Period and annually thereafter on or near the employee's anniversary date of employment or of any change in position. Semi-annual progress evaluations may be conducted and discussed with each employee.

The EPR will be discussed by employee and supervisor to cover principal strengths, principal weaknesses, and suggestions for improvement. When employee is eligible for merit increase or promotion, the supervisor shall make a recommendation to the General Manager.

Any EPR which is less than satisfactory will result in the employee becoming ineligible for merit increase, and the employee will be subject to re-evaluation in 3-6 months.

Upon completion, the EPR will become a part of the employee's official personnel file.

Deleted: 10358334.3 MO003-003

17. PROMOTIONS, TRANSFERS AND DEMOTIONS

A. DEFINITIONS

A promotion is defined as a move up in pay grade and position responsibilities and skills; a transfer is defined as a lateral move within the same pay grade; and, a demotion is defined as a move to a lower pay grade position having lesser responsibilities and/or required skills. In the event of a promotion, demotion or transfer, an employee's anniversary date will be adjusted to conform to the date of the promotion, demotion or transfer, and annual EPR will be tied to the new anniversary date.

B. PROMOTIONS

It is the District's desire to promote from within the organization whenever it is operationally efficient and appropriate based on the skills, knowledge and other competencies of employees in light of vacant position requirements and in contrast to external qualified applicants. At the time of promotion, the employee shall receive no less than a typical step increase. The effective date of the reclassification becomes the anniversary date for EPR purposes, but such change will not alter the employee's hire/seniority date.

C. TRANSFERS

Generally, an employee who requests or agrees to a transfer to a similar position with the same or a different department is given preference over external applicants, provided the employee is equally or better qualified, and whose work performance has been exemplary. In order to be eligible for a transfer, an employee must have successfully completed a minimum of 12 months of continuous employment in their current position, unless the managers involved in the transfer mutually agree to waive this requirement. An employee on a Performance Improvement Plan or disciplinary action shall not be considered for transfer unless approved in advance by the General Manager.

D. DEMOTIONS

Demotions may occur when the District determines that they are necessary or appropriate, based on either performance or disciplinary reasons. Demotions may be voluntary or involuntary but in either case the affected employee will be provided with advance notice of the change of classification. However, the District reserves the right to determine, on an individual basis, how a demotion will affect pay and under what circumstances it is in the best interests of the District to demote an employee.

18. EMPLOYEE RECORDS

The District maintains files of current and former employees for up to four years from the date of separation from employment, and restricts disclosure of employee files only to authorized individuals.

Deleted: 10358334.3 MO003-003

Consistent with California Labor Code Section 1198.5, employees shall have access to their personnel records.

Employees shall have the right to have commendations placed in their file upon request.

19. OUTSIDE EMPLOYMENT

Employees may engage in work outside their regular work schedule at the District, provided this work does not detract from their job performance, is not harmful to the District's best interests, and does not present a conflict of interest with their employment at the District.

Any outside employment or business activity must be considered secondary to employment with the District and outside employment or business activity that creates a conflict of interest is prohibited. Employees cannot work for a service provider of the District.

Employees must discuss any outside work or business activities with their department manager prior to submitting a written request to engage in outside employment through the District Administrator and final approval by the General Manager to ensure that a conflict of interest will not arise.

The District's Workers' Compensation Insurance will not pay for illness or injury arising from any outside employment or outside business activity.

Employees who are unable to maintain acceptable performance standards while engaged in any outside employment or business activity may be subject to corrective action, up to and including discharge.

20. SEPARATION OF EMPLOYMENT

Separation of employment can be either voluntary or involuntary and may be initiated either by the employee or the District.

A. VOLUNTARY SEPARATION

When an employee resigns, the separation is considered voluntary. Regular status employees are requested to give advance written notice, including all of the reasons for the resignation, to their supervisor/manager.

B. INVOLUNTARY SEPARATION/DISCHARGE

An involuntary separation/discharge is one that is initiated by the District for any reason other than a reduction in force.

C. JOB ABANDONMENT

If an employee is absent without authorization and/or fails to contact their supervisor, manager, District Administrator or the General Manager for three (3) consecutive workdays, the District will consider the employee to have abandoned his/her position, and a separation

Deleted: 10358334.3 MO003-003

of employment will be processed as a voluntary resignation. Unauthorized absences and absences without advanced approval or notice to the District for any number of missed work days/shifts will be subject to verifiable and acceptable proof of the need for such absence at the sole discretion of the General Manager.

Extraordinary circumstances which prevent employees from returning to work will be considered on a case by case basis and subject to appeal at the sole discretion of the General Manager.

D. FINAL PAY

All accrued and vested pay that is due and payable will be paid upon separation of employment such as final hours worked and unused vacation, unused personal leave time and compensatory time off hours. The employee's final pay will be paid on the next payday following the processing of the normal pay period.

E. RETURN OF DISTRICT PROPERTY

It is the responsibility of any separating employee to return all property issued by the District to him/her at any time during employment that has not previously been returned to the District. All such property, including any keys, uniforms, identification badge, laptop computer, manual, documents, and other items that the employee may have in his/her possession, must be returned within (5) days of the last day of work.

21. REDUCTION IN FORCE / LAYOFF

A layoff is an involuntary termination that is initiated by a unanimous vote of the Board of Directors, as a result of reorganization, position elimination, declining operations/lack of work, or lack of funds and not otherwise caused by the affected employee. Layoffs will be determined by position(s). The decision to lay-off employees is at the sole discretion of the District. In evaluating which similarly situated employees will be laid-off, the District will consider operational necessity and employee seniority at the District.

Notification to Employee: Employees to be laid off shall be given at least ninety (90) calendar days prior notice.

The District agrees to consult with the Union when technological or economic changes occur which result in layoffs or would significantly affect the employees covered by this Memorandum of Understanding. The District shall also provide the Union with a designation of classes affected, the number of positions in the affected classes and an abstract of the employees in the classes affected by the layoff at least ninety (90) calendar days prior to the effective date thereof.

Deleted: 10358334.3 MO003-003

22. COMPENSATION AND TIMEKEEPING

A. [BASE SALARY TABLE](#)

The base salary table for all bargaining unit classifications is attached as Exhibit A to this MOU.

B. [STEP INCREASES](#)

The Base Salary Table establishes a five-step range of compensation. The employee's EPR as well as time in service at the current step will determine granting of a step increase. Step increases may be granted upon recommendation of the employee's manager and approval by the General District Manager.

23. WORK SCHEDULES, WORK WEEK AND HOURS OF WORK

A. [REGULAR](#)

The District's usual office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m., whereas Plant and Field employee general work hours are from 7:00 a.m. to 3:30 p.m. All employees are expected to be at their work locations at the start of their scheduled shifts, ready to engage in the performance of their work. Scheduled work hours are determined by District management and subject to change based on the operational needs of the District. Absent emergency circumstances, the District will provide affected employees with advance notice of any change to their work schedule..

The hours for regular full-time employees are generally 40 hours per week, eight (8) hours per day. The District's designated work week is Monday 12:01 am to Sunday 12:00 pm. The daily and weekly work schedules may vary among District operational areas and may change from time to time to meet the varying conditions of business operations. Employees are to check with their manager regarding their individual work schedules.

B. [ALTERNATE WORK SCHEDULE](#)

The District may implement an Alternate Work Schedule under which employees work eighty (80) hours over a two-week pay period in a configuration that best meets operational needs. Specific scheduling formats may vary and shall be determined by the District in consultation with affected employees.

Designated days off, start times, and daily work hours may be adjusted based on operational requirements and shall be established through mutual agreement between the employee and the General Manager. Participation in the Alternative Work Schedule is voluntary and shall not be revoked or modified for arbitrary or capricious reasons. The District retains the discretion to modify scheduling arrangements with reasonable notice to ensure continuity of operations.

C. [ON-CALL](#)

On-Call schedules will be posted on District bulletin boards in advance of each workweek.

Deleted: 10358334.3 MO003-003

24. PAY PERIODS AND PAYDAYS

A. PAY PERIODS

Pay periods begin at 12:01 a.m. on every other Monday and end on the second Sunday at midnight.

B. PAY DAYS

Wages are paid on a bi-weekly basis. Paydays are on the Thursday following the close of the last pay period. If a regular payday falls on a holiday, employees will be paid on the preceding business day. Paychecks are provided on paydays to employees in an envelope at work or, upon authorization by employee for direct deposit, an envelope with a copy of the pay stub or, upon written request of an employee, mailed to the home address of employee. Paychecks and pay stubs will not be given to anyone other than employees except with their prior written authorization.

Employees are expected to report any errors in their paycheck to their manager for review and, if approved by the manager, forwarded to the District Administrator for processing on the next payroll unless otherwise approved by the General Manager for special processing in cases of hardship. The District does not permit wage or salary advances on unearned wages to any employee.

25. TIMEKEEPING / TIME RECORDS

A. TIMEKEEPING

It is the responsibility of every non-exempt employee to accurately record time worked. Federal and state laws require the District to keep an accurate record of time worked in order to calculate employee pay, benefits and legally mandated deductions. Time worked is the time actually spent on the job performing assigned duties.

Overtime work must always be approved before it is performed.

It is the employee's responsibility to sign his/her time records certifying the accuracy of all time recorded and verifying that meal periods have been provided and taken. Employees are responsible for the accuracy of their own time records. Altering, falsifying or tampering with timecards, or recording time on another employee's time record is a serious violation of District rules and may result in corrective action, up to and including termination.

26. REST AND MEAL PERIODS

Employees are provided with two 15-minute rest periods, one in the morning and one in the afternoon. These breaks are provided to enable employees to take care of their personal needs and may not be extended, added onto meal breaks, or used to compensate for late arrivals or early departures. Please keep in mind that when employees are not on a break, they are expected to devote their full efforts to their duties. Rest periods will be counted as hours worked so long as they do not exceed 15 minutes in length. Any rest period which exceeds 15 minutes in length without prior approval will be deducted from an employee's hours worked. Further,

Deleted: 10358334.3 MO003-003

any rest periods which exceed 15 minutes in length without approval are in violation of District policy and will be subject to discipline, up to and including termination.

Employees are also provided with a 30-minute meal period during each work day which must be taken within five hours of starting work. Employees are relieved of all duties during their prescribed meal period, generally 30 minutes in length, and are not compensated for that time. Managers will advise their employees regarding their schedule for breaks and meal periods. Employees are responsible for making sure they take their breaks and meal period.

Employees may take on-duty meal periods only in certain circumstances. An on-duty meal period is permitted only when the nature of the work prevents an employee from being relieved of all duty; must be agreed to in writing (a waiver) by the employee and their manager; must be paid; and may be revoked at any time in writing by the employee. It is otherwise a violation of District policy for non-exempt employees to work through their meal period.

Employees whose duties require them to work off of District premises are entitled to the same meal periods and rest breaks as other employees. Such breaks shall be taken in a manner which does not interfere with their duties, which does not interfere with the property rights of others, and which does not reflect adversely on the District.

27. OVERTIME

The nature of the District's basic mission to protect public health and preserve the environment make it necessary to provide staff and facilities for unforeseen emergencies and special projects. Therefore all District employees may be required to work overtime hours from time to time. The District will attempt to assign overtime work to employees on a rotating basis whenever possible.

When possible, advance notification of these mandatory assignments will be provided. While such situations are difficult for the District and its employees to anticipate, such requirements will be made based on operational necessity. Employees who refuse to work such overtime shall be subject to corrective action, up to and including discharge, depending upon the circumstances. All overtime work must be pre-approved by the immediate supervisor. Working unauthorized overtime is strictly prohibited.

Non-exempt employees are entitled to overtime pay for all hours worked in excess of 40 hours in one workweek and are paid at a rate of time and one half the employee's regular rate of pay.

The work schedules of some employees may include work on the weekends and hours worked on weekends do not automatically constitute overtime.

Deleted: 10358334.3 MO003-003

28. OVERTIME COMPENSATION

District employees have the right to request compensatory time off (CTO) in lieu of monetary payment as compensation for overtime, but approval of such a request remains the right of the District, consistent with the needs of the District.

29. COMPENSATORY ("COMP") TIME OFF

Upon advance written agreement between a non-exempt employee and the General Manager or designee, non-exempt employees may request the option of selecting compensatory time off (CTO) for overtime hours worked during any workweek in lieu of overtime pay by entering such hours on their timecard. Records will be maintained for each employee's bank of CTO hours, and such time may not exceed 60 hours. Overtime hours of an employee who has reached this maximum will automatically be paid for any further overtime hours until the maximum amount is lowered through the use of paid time off.

CTO hours are banked at the same rate as would normally be paid for such hours; i.e. one and one half hours for each hour of overtime worked and requested by the employee to be banked as CTO within the allowable maximum number of CTO hours.

CTO hours may be taken within a reasonable period after a request for use unless the use of CTO would unduly disrupt the operations of the District.

A leave form requesting the use of banked CTO time must be submitted to the employee's supervisor at least thirty (30) working days prior to the desired time off unless the need for the time off cannot be reasonably anticipated. Requested and approved CTO time off must be taken unless otherwise approved for cancellation by the employee's supervisor.

In cases where operational requirements or scheduling prevent an employee from taking CTO time off, pay in-lieu of CTO may be made only upon special approval by the General Manager.

All accrued and unused CTO hours at the time of an employee's employment separation will be paid at the employee's regular hourly rate of pay and processed with the pay period in which the separation takes place.

30. ON CALL / STANDBY PAY

All on call/standby assignments will be made at the discretion of the Operations Manager, General Manager or designee for specific days, dates, and hours among those employees whose jobs necessitate their availability to independently respond to District operational needs and/or emergencies that may arise during abnormal operating days and hours. Generally, these assignments are made in advance with qualified employees by their supervisor, and to the extent possible on a weekly rotating basis from Monday through Sunday of the following week. However, unexpected conditions may arise when advance notice is not possible whereby, similar to the periodic need for mandatory overtime, applicable employees are expected to assume such assignments as a condition of employment. Any otherwise qualified employee who is in their Introductory Period; has had a formal disciplinary action during the prior six months; or, is on a Performance Improvement Plan is not eligible for on call assignment unless otherwise approved by the General Manager. Likewise, an employee out on any leave is ineligible for On Call/Standby Pay for that day.

Deleted: 10358334.3 MO003-003

If a non-exempt employee is assigned standby duty, their on call/standby time is paid at the following rates.

\$75.00 for each shift on call/standby OR 1.5 hours of CTO for each shift on call/standby.

Such on call pay is compensation paid to an employee for hours in which he/she agrees to respond should there be a requirement to report for work or to respond to a telephone advisory situation. If the on-call/standby employee is required to respond to an on-site operational need, then the employee will also be paid as set forth below.

If the standby employee responds to an emergency and/or call out while on standby duty, the employee is entitled to a minimum of two hours pay. All time required on duty greater than the two-hour minimum will also be compensated at the employee's hourly rate. (See CALL BACK section below)

Employees who are assigned on call/standby duty are expected to use a cell phone to ensure continuous contact during the hours of on-call/standby duty. An employee who is assigned on call/standby duty is expected to remain free from the influence of alcohol, drugs, or other substances which would impair his/her ability to report for duty if called, and to maintain the same state of mental and physical ability as required during regular duty hours.

31. CALL-BACK PAY

Non-exempt employees who are called back to work outside their normally scheduled workweek and/or normally scheduled working hours will be paid a minimum of two hours at the employee's regular pay rate for actual time worked. All hours worked in excess of the employee's 40 hour work week will be paid at the overtime rate of time and one-half the employee's regular rate of pay.

Reasonable meal reimbursement costs will be provided to those employees called back under emergency conditions. For emergency call back, the employee will be required to wear their uniform and appropriate safety equipment necessary to resolve the problem.

Such call-back time shall not include round trip travel time from the employee's residence and shall start to run upon arrival at the District facility ready and able to work. Unless otherwise instructed, employees who are called back to work are to go to the appropriate District facility to pick up a District vehicle in those cases where the nature of the work to be performed is outside District facilities.

32. ATTENDANCE AND PUNCTUALITY

Employees of the District are expected to be punctual and maintain regular attendance. Tardiness and absenteeism place an additional burden on fellow employees and re-scheduling of work assignments. Good attendance is an essential element in determining satisfactory job performance. An unsatisfactory attendance record of tardiness and absences can result in corrective action, up to and including discharge.

An absence is the failure of an employee to be at a designated work area or perform assigned work as required because of a failure to report for work as scheduled, a failure to begin or end a rest break or meal period on time, and/or a departure prior to the end of a workday as scheduled.

Deleted: 10358334.3 MO003-003

For any absence or tardiness, employees who speak to or leave a message with anyone other than their supervisor, manager, District Administrator or the General Manager, do not meet the District's reporting requirements.

An employee who is unable to work due to illness or injury is required to notify his/her supervisor, manager, District Administrator or the General Manager as promptly as possible. When notice is not provided or when the absence exceeds three (3) days, the District may request certification of the need for a leave of absence. Additionally, the District may require a health care provider's written verification that employees are capable of resuming their job responsibilities before being permitted to return to work.

Any falsification, misrepresentation, or other violation of an attendance obligation to the District can result in corrective action, up to and including discharge.

33. SERVICE LENGTH AND PERFORMANCE INCENTIVE AWARDS

All regular employees who have been at the "E" step of their classification for one year or more are eligible to be considered for incentive awards.

Incentive awards are not added to the employee's basic salary range, but rather may be earned annually by exceptional performance. Those receiving incentive awards will receive them as a lump sum payment following their annual performance evaluation.

34. CERTIFICATION INCENTIVE AWARD PROGRAM

This policy applies to employees of the District holding a position which requires an Operators Certification from the State Water Resources Control Board or certification from the California Water Environment Association. If the employee's position with the District requires a certain grade of certification and the employee is working for the District holding a certification at that level, they are eligible to participate in this program.

The employee, under their own initiative, may sit for a certification exam at a grade level that is higher than the one that is a requirement of their employment with the District. Additionally, certification in areas outside the employee's job description may be (upon approval by the General Manager) considered eligible for a Certification Incentive Award. If the employee passes the exam and submits appropriate documentation of their passing to their supervisor and the General Manager, they will receive a payment of \$1,000 from the District. Certification Incentive Award payments are limited to a total of four (4) \$1,000 payments for each employee. Additional Certification Incentive Award payments will be at the discretion of the General Manager.

35. CERTIFICATION TESTING – TRAVEL

Unless approved in advance by the District General Manager, travel to and from Certification Exam Testing locations shall be done in the employees own vehicle, at the employees expense, and all time spent traveling and taking the exam shall be on the employees own time. Requests for Vacation, CTO or Personal Leave will be granted for the purpose of Certification Exam Testing.

Deleted: 10358334.3 MO003-003

36. EMPLOYMENT BENEFITS

A. DISTRICT CONTRIBUTION TO HEALTH AND WELFARE PLANS

The District shall contribute 100% towards an employees medical and other selected insurance plans at the Anthem Blue Cross PPO Plan level, or substantially similar plan, for the employee and his/her eligible dependents.

If the costs of an alternate medical and other selected insurance plans should exceed the maximum contribution by the District, the employee shall pay any amount beyond the maximum allowable through payroll deduction. Employees always pay the monthly insurance premiums for any additional insurance plan coverage they elect for themselves and/or their dependents through regular payroll deductions.

Deleted: istrict Contribution to Health and Welfare Plans¶
For employees hired prior to January 1, 2018, the District contributes to each eligible full time employee's selection of health plans up to the "Employee plus 1" level.¶
¶
For employees hired on or after January 1, 2018, the District contributes to each eligible full time employee's selection of health plans up to the "Employee plus 1" level at an amount not to exceed \$1,400 per month.¶
Deleted: for

37. RETIREMENT - HEALTH INSURANCE COVERAGE

A. FOR EMPLOYEES HIRED PRIOR TO JULY 1, 2010

Employees hired prior to July 1, 2010 and retiring directly from the District, and filing for retirement benefits through CalPERS, and who meet the eligibility requirements listed below will have their medical coverage up to the "Employee + 1" level continued at the expense of the District until the employee reaches age 65 or otherwise qualifies for Medicare benefits.

In accordance with Cal-COBRA, and the District's insurance provider, medical coverage can be extended an additional 18 months for an eligible dependent of a retired District employee whose eligibility for District paid insurance ceases due to him/her reaching the age of 65. The out-of-pocket cost to the eligible dependent would be determined at the then current rates in effect, plus any additional costs associated with Cal-COBRA coverage.

District policy requires that the following conditions must apply to the retiring employee in order to receive the retirement health benefits described above to be paid for by the District:

1. Employee must be at least 55 years old at the time of retirement
2. Employee must have worked at least 10 or more consecutive years at the District
3. Employee must retire directly from full-time active employment with the District
4. Employee must be separated from employment with the District and placed on the CalPERS Service Retirement Roll
5. Eligible family members include the spouse and dependent children of the retired employee
6. Employee must not be receiving additional medical coverage

B. FOR EMPLOYEES HIRED AFTER JUNE 30, 2010

In accordance with Board Action of May 10, 2010, there is no Retirement Health Insurance Coverage for employees hired after June 30, 2010.

Deleted: 10358334.3 MO003-003

38. RETIREMENT PLAN

A. CAL-PERS DEFINED BENEFIT PLAN

The District participates in the California Public Employees Retirement System (Cal-PERS), a defined benefit retirement program that is integrated with Social Security.

The District's Cal-PERS Classic Plan, for employees hired prior to 1/1/2013 or newly hired employees with reciprocity, is based on the 2% at age 55, highest single year formula Plan. For Classic Cal-PERS employees hired prior to January 1, 2018, the District pays both the District's and employees' monthly contribution to this Plan. For Classic Cal-PERS employees hired on or after January 1, 2018, the employee may be required to pay the employee portion of the CalPERS contribution through regular payroll deductions.

The District's Cal-PERS PEPRA Plan, for employees hired after 12/31/2012, is based on the 2% at age 62, final three year formula Plan. The District does not pay the employee's monthly contribution to this Plan.

Since the Cal-PERS plan is integrated with Social Security, both the District and employees are required to make equal payment contributions to Social Security rates as determined by the Social Security Administration.

Full time employees are eligible for and automatically enrolled in the Cal-PERS Plan effective the first of the month following initial employment. Vesting occurs for each year in which an eligible employee works 1,000 or more hours, and employees become fully vested after the completion of five (5) years of qualified service with the District or other Plan participant in Cal-PERS.

Additional information concerning this Plan can be obtained from the District Administrator or by contacting the Cal-PERS Benefits Section office in Sacramento at 888-225-7377 or by visiting their web site at www.calpers.ca.gov.

39. DEFERRED COMPENSATION PLAN

The District also provides an opportunity for all employees to voluntarily participate in two separate Deferred Compensation (IRS 457) Plans as a supplemental means of investing towards retirement. Employees are eligible to enroll in these plans effective upon their date of hire, and may change contribution amounts or percentage at the end of any pay period. The District makes no contributions into this plan.

Employees may contribute up to the maximum amount or percentage of gross earnings allowed under IRS rules. Employee contributions are generally made on a pre-tax basis, therefore contributions are deducted from the employee's gross taxable wages at the end of each year within limits established by the Plan Administrator and IRS regulations. Employee contributions can be made either by direct payment to their account through the Plan Administrator or through payroll deduction.

Employees having questions or interest in learning more about the eligibility, investment options, contribution limits, and other features of the Deferred Compensation Plans should contact the District Administrator for Plan materials and further information.

Deleted: 10358334.3 MO003-003

40. SHORT TERM DISABILITY INSURANCE

The District pays the cost of a short-term disability (STD) plan for all full-time employees, effective upon the completion of 30 days of employment. IRS has determined that this benefit be considered a taxable cost to each covered employee. This insurance plan provides employees with certain benefits in the event of illness or injury, which is not job-related, up to a maximum period of 180 days following a qualifying period of 30 continuous days of partial or total disability. The benefit amount is dependent on the amount earned by the employee prior to disability and pays 66 2/3% of the first \$2,596 of the employee's Pre-disability Earnings, reduced by Deductible Income such as use of available paid time off, up to a maximum of \$1,731. Not all forms of disability are covered under this Plan.

STD payments are coordinated with any other non-work related disability payments received by an employee, and may be supplemented by accrued sick leave, vacation or paid personal time off taken as part of a medical or disability leave of absence up to a maximum of the employee's normal base pay as such accrued paid time off is available. If all available forms of paid leave are exhausted or not sufficiently accrued for coordination with STD, only STD payments will be made so long as the affected employee complies with all required documentation conditions related to the disability.

STD benefit claim forms and further information pertaining to benefits and limitations are available from the District Administrator or Plan carrier.

41. LONG TERM DISABILITY INSURANCE

The District pays the cost of a long-term disability (LTD) Plan for all full-time employees. This insurance plan provides employees with certain benefits in the event of illness or injury, which is not job-related, up to a maximum period as defined in the Summary Plan Description. The benefit amount is dependent on the amount earned by the employee prior to disability and pays 66 2/3% of normal monthly earnings up to a maximum benefit of \$7,500.00 per month. Not all forms of disability are covered under this Plan. Employees who are covered by the LTD Plan may receive benefits following 180 continuous days of a disabling injury or illness.

LTD payments are coordinated with any other non-work related disability payments received by an employee, and may be supplemented by accrued sick leave, vacation, or paid personal leave taken as part of a medical or disability leave of absence up to a maximum of the employee's normal base pay as such accrued paid time off is available. If all available forms of paid leave are exhausted or not sufficiently accrued for coordination with LTD, only LTD payments will be made so long as the affected employee complies with all required documentation conditions related to the disability.

LTD benefit claim forms and further information pertaining to benefits and limitations are available from the District Administrator or Plan carrier.

42. HOLIDAYS

All employees are eligible for holiday benefits. Full time employees will be eligible beginning on their first day of employment for eight hours holiday pay at their normal hourly rate for each holiday observed by the District.

Commented [A2]: Are these benefits still accurate STD & LTD
Update language do to flux in dollar amounts but fixed percentages

Deleted: 10358334.3 MO003-003

Eligible employees must work their regularly scheduled workdays before and after a holiday observed by the District in order to be eligible for holiday pay, unless the absence is a pre-approved use of vacation or CTO. If an employee is on an approved paid leave (vacation, paid personal leave, or bereavement) during a recognized holiday, the employee will be paid holiday pay for the holiday rather than applying the type of pre-arranged paid leave to that day.

Each District holiday that falls on a Saturday will be observed on the preceding Friday. Each District holiday that falls on a Sunday will be observed on the proceeding Monday. An employee who works an actual or observed holiday will be eligible for paid holiday on that day, but will only be paid once for the holiday, either actual or observed. Employees are provided with the following District recognized paid holidays each calendar year:

- New Year's Day (January 1st)
- Martin Luther King Jr. Day (Third Monday in January)
- Presidents' Day (Third Monday in February)
- Memorial Day (Last Monday in May)
- Independence Day (July 4th)
- Labor Day (First Monday in September)
- Veteran's Day (November 11th)
- Thanksgiving Day (Fourth Thursday in November)
- Day After Thanksgiving Day (Fourth Friday in November)
- Christmas Day (December 25th)

A. PAY FOR HOLIDAYS

Exempt employees receive their regular salary. Non-exempt employees will receive their regular straight time hourly wage rate for the number of hours that they are regularly scheduled to work on the day a holiday is observed by the District. If a holiday falls on a day on which an eligible non-exempt employee is not scheduled to work, they will receive 8 hours of CTO for that holiday.

Paid holiday benefit hours are considered hours worked for purposes of overtime pay eligibility.

B. PAY FOR HOLIDAY HOURS WORKED

Non-exempt employees who are required or authorized to work on a holiday observed by the District shall receive their standard day of holiday pay at their regular hourly rate of pay, and shall additionally be compensated for all hours worked at the rate of one and one-half times their regular hourly rate of pay (e.g., for a full-time employee, a total of 20 hours of pay for an 8-hour day of work). The compensation for hours worked over and above the 8 hours of holiday pay can be accrued as either CTO or paid as Overtime. CTO and Overtime will be calculated at the same rate which would normally be paid for each hour worked (one and one-half times the regular hourly rate of pay).

Deleted: 10358334.3 MO003-003

43. VACATION

The District offers paid vacation benefits that may also be used for rest and relaxation, personal time off due to personal matters or obligations, children’s school activities, religious observances, or for other purposes as defined in this [MOU](#).

Deleted: Handbook.

A. ELIGIBILITY

Regular full-time employees begin accruing vacation benefits per bi-weekly pay period from their date of hire to their anniversary date of each succeeding year based upon length of continuous service with the District. Newly hired full-time employees may, at the discretion of the General Manager, be awarded service credit based on number of years of prior *related* experience. For purpose of this section, “Related experience” means prior employment in a comparable position in which the employee performed the same, or substantially the same, duties as encompassed by the position for which they are hired by the District. This service credit will be no more than half the number of years’ experience.

Regular full-time employees may begin taking paid vacation time after accruing vacation benefits. No advance paid vacation may be taken. Eligible employees continue to accrue vacation during any authorized paid leave, however vacation time does not accrue during any leave without pay.

For employees hired into permanent employment with the District, based on the length of continuous service, the following vacation accrual schedule is based on regular full-time employees who are regularly scheduled to work at least 40 hours per week.

Deleted: prior to January 1, 2018, and

Length of Service (From Employee’s Hire Date)	Vacation Hours Accrued Per Bi-Weekly Pay Period	Vacation Hours Accrued Per Benefit Year
Date of hire through 2 years	3.077 hours	80 hours
Beginning of 3rd – 8 years	4.615 hours	120 hours
Beginning of 9th – 14 years	6.154 hours	160 hours
Beginning of 15th + years	7.692 hours	200 hours

B. HOLIDAYS OR ILLNESS/INJURY DURING VACATION

If a District observed holiday occurs during a scheduled vacation and employees are otherwise eligible for holiday pay, such employees will be paid for the holiday rather than a vacation day and will be expected to return to work on the date originally authorized by their supervisor. Similarly, if an employee on vacation experiences a bona-fide and verifiable disabling illness or injury that would otherwise qualify for normal and available sick leave time, such time during a vacation may be taken as sick leave upon the employee’s submission of reasonable proof of such illness/injury.

Deleted: 10358334.3 MO003-003

C. SCHEDULING A VACATION

The time at which an employee takes vacation leave is determined by the prior approval of their supervisor with due regard to the employee and the needs of the District. Requests for vacation must be submitted to the employee's immediate supervisor prior to the commencement of the time off, at least 30 calendar days in advance of the date on which the requested vacation would commence. If the need for the vacation cannot be reasonably anticipated, the request for vacation must be submitted as soon as is reasonably possible. Vacation leaves are normally taken in periods of one or more weeks, but may be used in smaller increments with prior approval by management, but not less than one-half hour increments.

Employees shall be given their preference in vacation time within the limits of the vacation schedule established by management who shall establish a system for assignment of vacations, which affords reasonable recognition of seniority. In the event that more than one employee requests the same vacation schedule, the request received and approved first shall have priority.

Vacations longer than three (3) weeks must have prior approval of the General Manager.

Approved vacation leave may be cancelled at any time by the General Manager if it is determined that an emergency will require the services of the employee scheduled to go on leave. All other potential avenues to resolve the emergency will be exhausted prior to cancelling an approved vacation.

D. VACATION PAY

Vacation pay will be based on the employee's regular pay rate in effect at the time such vacation is taken. It does not include overtime or any other forms of compensation. Payment for vacation time will be made on an employee's regularly scheduled payday.

All accrued and unused vacation at the time of an employee's employment separation will be paid at the employee's regular hourly rate of pay on the normal pay date of the pay period in which the separation takes place.

E. ACCRUED AND UNUSED VACATION

Employees are encouraged to use their accrued vacation benefits each calendar year. Regular full- and part-time employees may accrue up to a maximum of two times their annual accrual amount as indicated below based upon full-time employment.

Deleted: For employees hired prior to January 1, 2018†

Deleted: 10358334.3 MO003-003

Years of Service Completed (Employee's Anniversary Date)	Maximum Vacation Accrual ("Cap")
Date of hire through 2 years	160 hours (20 days)
Beginning of 3rd – 8 years	240 hours (30 days)
Beginning of 9th – 14 years	320 hours (40 days)
Beginning of 15 th + years	400 hours (50 days)

Employees may receive payment in lieu of vacation but only when their accrued balance is at least 80% of the maximum allowed; no payment will be made for balances below that threshold. Employees must have taken 40 hours of leave in the current calendar year prior to receiving payment for leave in excess of their maximum.

In the event an employee's earned but unused vacation benefit reaches the maximum accrual that is allowed, vacation benefits will cease to accrue until the employee takes enough vacation to lower the maximum accrual entitlement. Vacation benefit accruals will then resume up to the maximum time allowed.

The District reserves the right, if necessary, to designate vacation periods during which employees are expected to schedule their vacations in order to accommodate overall work schedules and/or to ensure employees actually use all of their accrued vacation benefits. The District may also direct an employee to take mandatory vacation time for a specified period if conditions warrant.

44. SICK LEAVE

Sick leave is to be used for absences due to the diagnosis, care, or treatment of an existing health condition or preventative care for an employee or an employee's family member, as described in the Healthy Workplaces, Healthy Families Act of 2014, including medical or doctor appointments, illness or injury, as well as by an employee who is a victim of domestic violence, sexual assault, or stalking for legally protected absences.

Sick leave is a privilege which is to be used only for the purposes described in this policy, and therefore should not be abused or taken merely because there are remaining hours available.

A. ELIGIBILITY, ACCRUAL, AND MAXIMUM ACCUMULATION

All employees are eligible for sick leave benefits. Employees are eligible to accrue paid sick leave benefits up to 96 hours per year and begin accruing sick leave benefits at the rate of 3.692 per bi-weekly pay period from their date of hire. Employees on a leave without pay do not accrue sick leave benefits in any pay period in which the unpaid leave occurs.

Sick leave benefits may be accrued up to a maximum of 120 days (960 hours), after which accrual ceases until the balance of maximum accrued hours falls below the maximum accrual rate.

Deleted: For employees hired on or after January 1, 2018¶
 ¶Page Break.....
Page Break.....
 Years of Service Completed (Employee's Anniversary Date) ... [1]

Deleted: 10358334.3 MO003-003

B. SICK LEAVE NOTIFICATION

An employee who is unable to report to work on a scheduled workday is required to notify his/her supervisor as promptly as reasonably possible. During any period of sick leave absence, the employee may be required to contact their supervisor daily to provide an update on their status and/or expected return to their normal work schedule.

When sick leave must be taken for the illness of a qualified family member, or other allowable reasons not related to the employee's own disability, advance notice of needed sick leave use must be submitted to their supervisor no less than two workdays when practical, or as soon as possible once the need for the sick leave is known.

C. PAYMENTS FOR SICK LEAVE

Sick leave may be taken only to the extent accrued sick leave hours are available. All sick leave payments will be based on an employee's regular pay rate in effect at the time such leave is taken.

Full or partial days off due to illness or injury in excess of accrued sick leave by non-exempt employees may be taken through the use of available CTO, personal leave, vacation or without pay. Exempt employees who have used all of their accrued sick leave benefits must use any other available form of paid leave for full or partial days of absence. The salary of any exempt employee who has exhausted all forms of paid leave will be deducted for absences of one or more full days due to illness or disability.

If an employee remains absent due to an allowable sick leave use beyond their available sick leave hours, the employee shall be required to use available CTO, personal leave or vacation time. If all forms of paid time off are exhausted during any incident of sick leave absence, the General Manager will determine the conditions applicable to the employee's continued absence and determine the action to be taken, subject to applicable law. Such a written decision will be provided to the employee by means of first class mail using the United States Postal Service.

D. CERTIFICATION OF SICK LEAVE

At the discretion of the District, employees who fail to call in to report the need to take sick leave, or who are absent for three (3) or more consecutive days due to illness or injury, may be asked to submit a health care provider's certification to substantiate the use of sick leave. In addition, before an employee may return to work, the District may require a health care provider's written certification that the employee is capable of resuming his/her job responsibilities, or may pay for and order an examination/consultation with a health care provider of the District's choice. Employees are not expected to disclose any diagnosis or confidential medical information, but any material misrepresentations regarding the use of sick leave (e.g., using sick leave for an unqualified absence) may result in corrective action, up to and including discharge.

Deleted: 10358334.3 MO003-003

E. SICK LEAVE PAYOUT

For employees hired prior to January 1, 2018, upon retirement or voluntary termination from the District, unused sick leave up to the maximum accumulation of 120 days shall be paid to the employee in accordance with the following schedule:

<u>Years Worked at the District</u>	<u>Sick Leave to be Paid</u>
1 – 10 years	50%
10 – 20 years	75%
Over 20 years	100%

Sick leave pay will be calculated based on the employee’s current regular hourly rate of pay.

For employees hired on or after January 1, 2018, employees who are discharged from District service are not eligible for sick leave pay-out of any accrued and unused sick leave hours.

45. PAID PERSONAL LEAVE

Paid personal leave days are granted to eligible employees for the express purpose of conducting personal business needs away from the work place and this time is not intended to be used to supplement holidays or vacation. Generally, the use of personal leave is for unexpected personal or family emergencies that necessitate the employee’s absence on short notice to the District.

A. ELIGIBILITY AND ACCRUAL

All regular full employees accrue personal leave days from their date of hire. Personal leave days accrue at the rate of 1.23 hours per pay period (a total of 8.0 hours per quarter), not to exceed 32 hours per year. Paid personal leave in excess of the amount accrued at the time a request for personal leave is made shall not be granted.

Employees continue to accrue paid personal leave during any authorized and compensated leave. No paid personal leave is accrued during any unpaid leave of absence. Paid personal leave may be accumulated up to a maximum amount of six (6) days, (48 hours). Once at the maximum, no additional paid personal leave may be accumulated until the total accumulated paid personal time is reduced below the maximum allowed.

B. SCHEDULING

Paid personal leave may be scheduled by the employee at a time approved by their supervisor, with at least two (2) hours advance notice given by the employee unless the leave is required for emergency reasons. Such leave may be taken in any increments of time, but not less than one-half hour.

C. PAYOUT UPON EMPLOYMENT SEPARATION

All accrued and unused personal leave at the time of an employee’s employment separation will be paid at the employee’s regular hourly rate of pay on the pay date of the pay period in which the separation takes place.

Deleted: 10358334.3 MO003-003

46. KIN CARE

Commented [A3]: Has this been updated to reflect current law?

Employees may use up to one-half of their sick leave which would accrue during a year for the purpose of attending to a child, parent, spouse, registered domestic partner, registered domestic partner's child, grandparent, grandchild, or sibling who is ill.

For purposes of sick leave, the following definitions apply:

- A "child" is defined as a biological, foster, adopted, stepchild, or a legal ward. A "child" may also be someone an employee has accepted the duties and responsibilities of raising, even if he/she is not the employee's legal child.
- A "parent" is a biological, foster, adoptive, stepparent, or legal guardian.
- A "spouse" is a legal spouse according to federal law or the laws of California. There is no "common law" spouse in the State of California.
- A "registered domestic partner" is another adult with whom an employee has chosen to share life in an intimate and committed relationship of mutual caring, and with whom the employee has filed a Declaration of Domestic Partnership in the State of California, a copy of which is submitted and maintained in the employee's personnel file.
- A "registered domestic partner's child" is the biological, foster, adopted, stepchild, or legal ward of a domestic partner. A "domestic partner's child" also may be someone for whom a domestic partner has accepted the duties and responsibilities of raising, even if he/she is not the domestic partner's legal child.

All conditions and restrictions placed on an employee's use of sick leave apply also to Kin Care.

47. BEREAVEMENT LEAVE

Consistent with State Law (AB1949), the District provides regular full-time employees with paid Bereavement Leave of up to five work days to prepare arrangements and attend a funeral when there is a death in the employee's immediate family. A request for Bereavement Leave must be made to an employee's immediate supervisor as soon as reasonably possible. Any requests for additional time off in excess of the allowed five days of Bereavement Leave must be submitted to the General Manager as a request for Personal Leave and will be considered on a case by case basis, based upon the needs of the District.

During Bereavement Leave, eligible employees will receive the pay they would have earned for the workdays missed

Immediate family is defined under California AB 1949 and includes an employees spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law.

Deleted: as
Deleted: for :
Deleted: <#>Spouse [2]

No other relatives are considered immediate family for purposes of receiving paid bereavement leave under this policy. Employees who have a death of an immediate family member and intend to take bereavement leave must immediately notify their supervisor of their intended absence from work. When possible and practical, a bereavement leave request should be submitted by

Deleted: 10358334.3 MO003-003

the employee prior to taking the leave, otherwise it should be submitted no later than the employee's return to work.

Any other absence for bereavement related conditions, such as the death of a close friend or family member not otherwise qualified for paid bereavement leave, the employee may submit an advance request to use accrued and available vacation, CTO or paid personal leave. To be authorized, such absence request must be approved in advance by the employee's manager and the General Manager.

48. JURY DUTY

Regular, full-time employees who work at least 40 hours per week will receive full pay for up to forty (40) hours of actual Jury Duty service in any 12 month period, plus full pay for any scheduled workday in which the employee is required to be present during the jury selection process.

Within three days of receiving a Jury Duty "call-in" notice, the employee must provide a copy of the notice to his/her manager. Immediate notification must be given to the employee's Supervisor as to the specific dates of service expected by the Court. Employees will need to provide copies of all Jury Duty notices and expected time of service to the District Administrator for their personnel files. The District may submit a request for a postponement in the event that compelling District business reasons make postponement of Jury Duty necessary.

When on Jury Duty, employees must report for work whenever their presence is not required at court, including during "phone in" or "on call" status, or if released by the court early enough to return to work for at least two hours. Employees who cannot report to work due to Jury Duty may be required to show proof of jury service or appearance.

Upon completion of any Jury Duty service, the employee is to submit to their manager verifying documentation from the Court Clerk of the days and hours of Jury Duty attendance. A copy of that information should also be provided to the District Administrator for the personnel file.

Employees who work for a governmental entity, such as the District, may be asked or required by the Court, to waive the normal daily Jury Duty service fee paid by the Court to jurors since eligible employees of the District receive their regular pay for the workdays/hours missed due to Jury Duty service. When the Court issues such a waiver, a copy of the waiver should be given to the District Administrator. Employees who are paid a Jury Duty service fee by the court should submit that service fee to the District upon receipt. Employees selected for Jury Duty service may retain any travel allowance provided by the Court for Jury Duty related travel.

49. WITNESS DUTY AND SUBPOENAS

Employees will be paid their normal wage or salary if required to be a witness or required by a subpoena to appear in court on District business. Employees will not be paid for their time off if summoned to appear in court as a witness or because of a subpoena for any other reason. Use of any available vacation time may be requested for this purpose with two weeks advance notice, and proof of subpoena service, from the employee to their department manager.

Deleted: 10358334.3 MO003-003

50. SEMINAR ATTENDANCE AND CONTINUING EDUCATION

It may be necessary for employees to attend training programs, seminars, conferences, lectures, meetings or other outside activities for the benefit of the District or the individual employee. Attendance at such activities may be required by the District or requested by individual employees. However, attendance will not be considered an officially authorized activity, subject to the following policies on reimbursement and compensation, unless prior written approval has been issued from the General Manager.

To obtain approval, employees wishing to attend an activity must submit a written request to their department supervisor and, if approved, to the General Manager detailing all relevant information, including date, hours, location, cost, expenses, nature, purpose and justification for attendance.

A. SEMINARS

Where attendance is required or authorized by the District, the District will reimburse reasonable expenses that generally include registration fees, materials, meals, transportation and parking. Reimbursement policies regarding these expenses should be discussed with the employee's supervisor or the General Manager in advance. Employee attendance at any required outside activities will be considered time worked and will be compensated in accordance with normal payroll practices. Employees will not be paid for time spent attending outside activities when attendance has not been requested by the District.

B. CONTINUING EDUCATION

Eligible regular full-time employees are those who have completed one year of continuous District employment and who either:

- Desire to advance professional knowledge by taking undergraduate or graduate level courses in a field of study related to their job assignment or in a field to be of long-range value to the District; or,
- Desire to advance professional knowledge by taking courses that are directly related to the employee's current job assignment or some job assignment to which they may logically advance.

The District will consider applications for financial assistance to cover tuition and certain other costs of a broad range of educational courses that may be taken by its staff outside of office hours. Such assistance will be dependent upon available funds budgeted for this purpose and advance approval of the General Manager. If the employee is requested by the District to take an educational course, the employee will be paid for his/her time if the course is taken during normal business hours.

Upon completion of the course(s), employees must submit evidence of a grade "C" or better. In the case of a seminar or certificate program where no grade is assigned, proof of completion of the course would be required. Should the employee receive an unsatisfactory grade or less than

Deleted: 10358334.3 MO003-003

a “C,” the money would be forfeited and the employee would be ineligible to participate in the program for the rest of the year.

A record from the educational institution of the grade received, or other evidence of course attendance and completion, must be submitted.

Seminars and other educational experiences in which an employee desires to participate, and involves any form of District subsidy, will be considered for approval on an individual and purely discretionary basis.

Membership in a Professional Organization

Professional development is also provided through membership and participation in organizations relating to the employee’s area of responsibility. Participation in professional organizations benefits both the District and the employee by providing:

- Information on new laws, procedures and policies;
- Information on issues of importance to the profession;
- Opportunity to increase knowledge and resources in the profession which benefits the District; and,
- Professional and personal development.

An employee may elect to become a member of professional organizations for which he/she assumes responsibility for membership fees. However, if the District is to be responsible for the employee’s membership fees, the membership decision shall be determined by his/her manager and, if accepted, referred to the General Manager for final consideration.

Involvement in professional organizations will not take precedence over job responsibilities.

51. GENERAL DRESS CODE

At the District, professional image is important and is maintained, in part, by the image that employees present to customers, visitors, vendors, and others in our business. No one has a second chance at a first impression. Employees are expected to consistently utilize good judgment in determining dress and appearance on a daily basis. In choosing appropriate work attire, employees should consider tastefulness, public contact, the nature of the job, and working conditions.

The District expects all employees to be appropriately dressed and groomed at all times. It is, however, the responsibility of each supervisor to communicate the District’s dress code standards to all current employees and each new employee as he/she is hired. Employees are expected to check with their supervisor if they are unsure about the appropriateness of their attire or grooming.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. Office employees may dress in business casual attire. Business casual attire includes, but is not limited to, slacks, khakis, clean cut jeans, sport shirts, skirts and dresses, turtlenecks, sweaters, loafers, and walking shoes.

Deleted: 10358334.3 MO003-003

Due to the effect it has on others, employees are also expected to refrain from the use of cologne or perfume and excessive make-up. Generally, male employees are expected to remain clean shaven, however for those employees where safety is not a consideration, facial hair may be acceptable if it is well groomed.

Specific attire that is unacceptable for office personnel includes:

- T-Shirts
- Sweat Pants and Shirts or Workout Attire
- Tank Tops
- Muscle Shirts
- Shorts
- Beach Thongs or Slippers
- Torn or Patched Clothing
- Revealing Attire
- Halter Tops
- Sheer Clothing
- Bare Midriffs
- Baggy, Saggy or Ripped Pants
- Jeans/Pants with Holes, Tears or similar condition considered to be in bad taste or otherwise unsuitable
- Low Cut or Off-the-Shoulder Attire
- Clothes with Inappropriate, Profane, or Offensive Slogans or Pictures

Non-Compliance

Employees who are inappropriately dressed may be sent home and directed to return to work in the proper attire. Employees will not be compensated for the time away from work. Employees who violate the District's dress code policy and/or grooming standards will be subject to corrective action, up to and including termination.

UNIFORMED EMPLOYEES

Uniform apparel required to be worn by designated employees is provided and maintained by the District. Uniforms must be worn during all work hours, excluding attendance at District approved conferences, workshops and similar business related activities where uniformed employees may wear business casual attire.

As part of each uniformed employee's work schedule, all such employees will be allowed up to 15 minutes at the end of each workday to shower and change into their personal clothing. Such time may not be added to meals, breaks, or to shorten the workday. Uniforms are to be left at the District facility at the conclusion of each workday and must be turned in before an employee leaves District premises.

Deleted: 10358334.3 MO003-003

Safety Boot Allowance

The District shall reimburse designated employees up to a maximum of \$350 (per set of boots) per year for the purchase, repair or replacement of required safety (steel-toed unless otherwise approved) boots, beginning at the time of initial employment. Additional sets of boots may be reimbursed subject to supervisor approval.

Deleted: 225

As determined by the District, other required or necessary safety equipment will be supplied on an as needed basis for the safety of District employees. Qualified employees must submit an acceptable receipt to the District Administrator in order to be reimbursed for this cost, and the safety or protective boot must meet District requirements. Safety boots reimbursed by the District may not be worn outside of work hours since doing so reduces the work-related use and condition of the boots.

52. GRIEVANCE PROCEDURE

A. GRIEVANCE DEFINED

A grievance shall be defined as a claim by an employee or group of employees adversely affected by an alleged violation, misinterpretation or misapplication of Memoranda of Understanding, policy or practices of District rules, or side-letters of agreement applicable to the employee.

Employees who use the following procedure in good faith are protected against unlawful retaliation or reprisal.

B. TIME OFF FOR PROCESING OF GRIEVANCE PROCEDURES

The grievant and/or his/her Union steward shall be granted reasonable time off with pay from regularly scheduled duty hours to meet with union, process a grievance, provided that the time off will be devoted to the prompt and efficient investigation and handling of grievances and does not exceed one hour.

Before performing any grievance work during scheduled duty hours a grievant or a grievant's steward shall obtain permission from his supervisor and shall report back to his supervisor when the grievance work is completed.

C. TIME LIMITS

Time limits specified in the Grievance Procedure may be extended by mutual consent, in writing, of the grievant and/or the Union Representative, and the District.

Failure by a grievant or the Union Representative to file an appeal within the specified time limits provided in the Grievance Procedure, unless extended, shall constitute acceptance of the decision rendered at the lower level and the grievance shall not be subject to further appeal or reconsideration.

Deleted: 10358334.3 MO003-003

Failure by management to respond to the employee's grievance within the time limit specified automatically grants to the employee or his representative the right to process the grievance to the next level.

D. GRIEVANCE PROCEDURE

The District encourages all employees to discuss any work-related problems or concerns with their immediate supervisor prior to escalating to the formal grievance procedure. Resolving problems early often prevents misunderstandings that occur when communications break down.

- I. Meet with the Department Manager: Within 10 working days of unsatisfactory resolution at the informal step, report the problem or dissatisfaction to your immediate manager in writing, including what relief is being sought. Within ten (10) business days, the manager will attempt to resolve the problem to the mutual satisfaction of all concerned and shall provide a written response to the employee..
- II. Refer the Problem to the General Manager: If the grievance is not resolved or an answer not forthcoming within 10 working days of receiving the manager's response that does not resolve the problem to the reasonable satisfaction of the employee, the employee may submit a written request for review by the General Manager or designee. The General Manager or designee will discuss the problem with the employee and any other concerned party within 10 working days of receiving the written request for review, and shall respond in writing and verbally to the affected employee within 10 working days thereafter. If the employee is still not satisfied with the decision, he/she may file a written request for appeal to the District's Board of Directors within 10 working days of receiving the General Manager's or designee's response.
- III. Mediation: If the grievance is not satisfactorily resolved at the District General Manager level the grievant may submit within 10 working days of the District General Manager written decision, a request for mediation. Within 10 working days of receipt of the request, the grievant will submit a request for mediation with the State Mediation & Conciliation Service and provide the District with a copy of the request.
- IV. Refer the Problem for Appeal to the Board of Directors: Upon the timely receipt by the General Manager of an employee's appeal to have the matter reviewed by the Board of Directors (or their designee), a meeting of the Board of Directors with the employee and any others deemed appropriate to conditions, along with all related documentation will be arranged within 10 working days. Unless requested otherwise, such appeals to the Board of Directors shall be arranged as closed session with the Chairperson acting as a voting hearing officer. Also, unless it is mutually agreed that additional time is needed for further investigation into the matter, the Chairperson shall respond and notify the employee in writing of the District's response to the problem or complaint within 30 calendar days following the evidentiary

Deleted: 10358334.3 MO003-003

meeting. For purposes of internal resolution of employment related problems as defined above, the decision of the Board of Directors shall be considered final.

The District Administrator or General Manager shall be responsible for the processing, monitoring and guidance of this problem solving process to objectively ensure its timely and equitable administration.

Employees who do not feel comfortable discussing a problem or concern with their manager may discuss the matter privately with the General Manager who can advise employees on a proper course of action. Likewise, employees who feel they have experienced retaliation as a result of reporting a problem or filing a complaint should immediately contact the General Manager.

Deleted: 10358334.3 MO003-003

Page 23: [1] Deleted	Author	9/18/2025 2:41:00 PM
Page 26: [2] Deleted	Author	9/19/2025 11:15:00 AM