

Modesto Irrigation District

RESOLUTION OF

TERMS AND CONDITIONS OF EMPLOYMENT

for the

UNREPRESENTED MANAGEMENT AND

CONFIDENTIAL EMPLOYEES

January 1, 2018 through December 31, 2022

CONTENTS

	Page
ITEM 1 - Preamble	1
ITEM 2 - Nondiscrimination	2
ITEM 3 - Management Rights	3
ITEM 4 - Management and Confidential Employees Rights.....	4
ITEM 5 - Seniority	5
ITEM 6 - Wage and Salary Administration.....	7
ITEM 7 - Job Content.....	9
ITEM 8 - Promotion/Transfer/Demotion.....	11
ITEM 9 - Days/Hour of Work	16
ITEM 10 - Overtime	17
ITEM 11 - Holidays.....	21
ITEM 12 - Vacation.....	22
ITEM 13 - Leaves with Pay.....	25
ITEM 14 - Leaves of Absence	28
ITEM 15 - Benefits	29
ITEM 16 - Retirement.....	32
ITEM 17 - Driver License.....	33
ITEM 18 - Safety.....	34
ITEM 19 - Continuity of Service.....	36
ITEM 20 - Grievance Procedure	37
ITEM 21 - Miscellaneous Provisions.....	39
ITEM 22 - Reopener – Healthcare Reform	40

ITEM 1 - Preamble

1.1 Purpose

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

1.2 Cooperation

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

1.3 Maintenance of Service

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

1.4 Separability

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

1.5 Preexisting Directives

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

ITEM 2 - Nondiscrimination

It is the policy of the District and the Management and Confidential Employees not to discriminate against any employee because of race, religion, creed, sex, gender (including pregnancy, childbirth, breastfeeding, or related medical conditions), gender identity, gender expression, sexual orientation, color, age, national origin, citizenship, ancestry, medical condition, physical disability, mental disability, genetic information, military and veteran status, marital status, and any other basis protected by law. The District and the Management and Confidential Employees agree to work cooperatively and affirmatively to carry out the intent of this policy.

ITEM 3 - Management Rights

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

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

ITEM 4 - Management and Confidential Employees Rights

Management and Confidential Employee Committee

A Management and Confidential employee who is a part of the management and confidential employee committee will be granted permission by his/her supervisor to attend discussions regarding changes to this resolution or discussions regarding a successor resolution providing the supervisor has received notification from Human Resources. The employee committee shall consist of six (6) employees, with the ability to add two (2) additional employees should the employee committee deem necessary. The total number of employees on the employee committee shall not exceed eight (8).

ITEM 5 - Seniority

5.1 Definition

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

5.2 At Will Employment

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

5.3 Probationary Period

New regular employees will be hired on a trial basis and will be assigned to probationary status for a period of six (6) months. The District may, in its discretion, elect to extend this probationary period for up to two (2) additional three (3) month periods, for a total of twelve (12) months from the employee's date of hire. During the probationary period an employee, who is terminated by the District, shall not have recourse to the grievance procedure.

5.4 Job Categories

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

- a. Full-time Regular
 1. A job (or position) which has full-time regular status is expected to be in existence for an indefinite period and generally requires a minimum of forty (40) hours weekly to perform.
 2. An employee assigned to a full-time regular job becomes eligible, after the respective eligibility periods, for all of the District's benefit programs.
- b. Part-time Regular
 1. A job (or position) which has part-time regular status is expected to be in existence for an indefinite period and generally requires at least twenty (20), but less than forty (40) hours each week.
 2. An employee assigned to work a part-time regular job, except those individuals who are employed in a work experience or student intern

classification, will be eligible for the same benefits offered for full-time work subject to specific eligibility requirements spelled out in each benefit plan. If a part-time regular employee elects coverage in the health, dental, vision, LTD, chiropractic, and/or life plans the employee will be responsible for paying ½ any monthly premium cost for the coverage they have elected through payroll deduction. If a part-time regular employee does not want health and welfare benefit coverage as described above, he/she may elect to waive the coverage. Those benefits pertaining to paid absences will be earned and accrued on a pro-rate basis.

c. Temporary

Temporary employees and employees hired under personal employment contracts are not covered by the terms and conditions of this Resolution or by any employee organization. Such temporary employees and/or employees hired under personal employment contracts are subject to the terms and conditions identified in their respective appointments.

5.5 Reduction in Force

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

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

5.6 Rehire from Layoff

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

5.7 Termination

Employees will be considered terminated by (a) voluntary quit; (b) discharge for cause; (except "at will" employees who may be terminated with or without cause) (c) failure to return to work within five (5) work days after notice of rehire from layoff; (d) failure to properly notify the District or provide documentation for absences of five (5) or more consecutive work days; (e) layoff without being rehired for a period of one (1) year; and failure to return from an approved leave of absence.

ITEM 6 - Wage and Salary Administration

6.1 Salary Increases

A. Salary Increase/Cost of Living Increase

1. Effective December 10, 2017, all employees shall receive a salary increase of 3%.
2. Effective December 9, 2018, all employees shall receive a salary increase of 3%.
3. Effective December 8, 2019, all employees shall receive a salary increase 3%.
4. Effective December 6, 2020, all employees shall receive a salary increase of 3%.
5. Effective December 5, 2021, all employees shall receive a salary increase of 3%.

6.2 Payday/Pay Periods

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

6.3 Application of Wage Ranges

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

6.4 Merit Increases

- a. A merit increase is defined as the payment of a higher rate, not exceeding the maximum, to a deserving employee (as determined by the District) whose

classification remains unchanged. Merit increases are granted primarily in recognition of improvement in performance or continued acceptable performance. Only one-step increases will be granted unless unusual circumstances as deemed by the District management exists, in which case the General Manager may authorize additional increases. Marginal performance will not qualify personnel for a merit increase regardless of the time period specified below.

- b. The normal time interval for a merit increase, following a favorable performance evaluation, will be one (1) year from the date of the last increase, and with subsequent favorable performance evaluations, shall continue yearly until the employee reaches the top rate of pay for his/her current classification. New employees will be considered for a merit increase following six (6) months of employment provided the employee's current pay is below the maximum rate for the position. Newly promoted employees will be considered for a merit increase following six (6) months in the new position provided the newly promoted employee's current pay is below the maximum rate for the position. Performance evaluations will be completed at the end of each merit review period. The District will advise employees as to any deficiencies, advise employees of remedies, and provide assistance to employees to overcome such deficiencies.
- c. In the case of particularly outstanding work, an increase may be granted by the General Manager in less than the specified time period provided sufficient justification is submitted by the requesting department, correspondingly, it is expected that in some instances the time interval will exceed that listed above.

ITEM 7 - Job Content

7.1 Establishment of Duties and Qualifications

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

7.2 Work Assignments

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

7.3 Temporary Upgrading

When a fully qualified, non-exempt regular employee is temporarily assigned by the District, and is accountable for, the complete responsibility of a higher classification for a period of four (4) consecutive hours or more and such employee is a replacement for the employee of the higher classification, the employee will be paid a premium of 6% above his/her current base rate of pay for all time worked; however, in no case will two (2) employees be paid for carrying out responsibilities of a single position at the same time, nor will any employee be temporarily upgraded with a 6% premium while performing in a learning capacity. An upgraded employee must work in the higher classification on the workday prior to and the workday after a holiday to be eligible for the holiday pay at the upgraded rate. An employee is determined to be fully qualified when he/she meets the requirements of the higher classification according to the job description for that position. Employees who work overtime at an upgraded rate will be eligible to accumulate Compensatory Time Off (CTO) for the upgraded rate, or overtime under temporary upgrade will be paid as overtime on the next time card. Positions being filled by temporary upgrade will be limited to a one year duration at which time the District will post the position to be filled on a regular basis. Management may designate positions that will be temporary upgraded beyond the one year period for the following reasons:

1. Replacement of an employee on extended medical leave.
2. A temporary special project assignment.

3. Succession plan position lasting up to 36 months.
4. At management discretion, special circumstances to meet temporary operational needs.

7.4 Temporary Job Siting

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

ITEM 8 - Promotion/Transfer/Demotion

8.1 Promotion for Non-exempt Job Vacancies

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

8.2 Temporary and Probationary Employees

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

8.3 Bypass for Lack of Qualifications

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

8.4 Pre-Established Lists

Vacant positions may be filled by use of pre-established lists. The existence of a valid list for the position will supersede the need to post the position. If a current and valid list exists, it will be utilized according to the priority as follows: If an in-house list (District Promotion List) has been established, and the time limit for the list has not expired, and either no names remain on the list, or an insufficient number of names remain to fill vacancies, then the District may post the position(s) directly to the outside to fill the position(s) that cannot be filled from the in-house list. Employees may apply along with outside applicants in this outside recruitment. If no list exists, a list will be established to fill (a) the current vacancy only, or (b) current and future vacancies. Lists will be maintained for up to one (1) year or two (2) years in the case of Classification Reinstatement List. Employees on such a list will be informed in writing when the list is abolished. Employees on pre-established lists will be given preference in the following order:

- a. Employees in the same classification (Transfer List)

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

8.5 Procedures for Establishing a District Promotional List

- a. The job announcement will state a list will be established to fill future vacancies.
- b. The length of time a list will be maintained will be stated.
- c. The names of applicants who are successful in the examination process will be placed on a list. This list will be used for future selections.
- d. When a vacancy occurs, the names of the top eight (8) employees who have the highest numerical score will be forwarded to the appropriate manager for selection. If there are less than eight (8) employees to select from, outside applicants will be considered to provide the top eight (8) applicants for review. In the event two or more applicants are equally qualified, an employee will be selected over an outside candidate. The results of previous test, oral rating sheets, and other appropriate examination information will be provided. In addition, an updated review of work history, reference check, and personnel file, will occur. The manager will select one individual from the top eight (8). Selection will continue until both lists are exhausted.

8.6 Notice

Notice of regular full-time vacancies will be posted on District bulletin boards. Employees will have five (5) working days in which to apply for the position.

8.7 Filling Vacancies

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

8.8 Posting of Appointments

District shall post quarterly on the Intranet a list of all promotions.

8.9 No Qualified Applicants

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

8.10 Salary on Promotion

When a regular promotion is made into a job classification with a maximum rate of pay higher than the maximum rate of pay of the prior classification, the employee, if qualified, will be placed in the lowest pay step which represents a minimum increase of 4% except for assignment to apprentice classes. Upon promotion, a new merit review date will be established. If the employee is selected for a position that has the same pay grade as the employee's current classification, there shall be no change to the pay grade or step. However, the employee will serve a probationary period in the new classification for a period of six (6) months. A current employee in a grandfathered salary schedule who is selected for promotion within the applicable classification series will continue on the applicable grandfathered salary schedule for that classification series for purposes of establishing the appropriate salary on promotion.

8.11 Unsuccessful Promotions

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

- a. The employee will be returned to his/her former position provided a vacancy still exists.
- b. If no vacancy exists, as provided for in (a) above, the employee may bid on and be placed in a District vacancy that has the same or lower pay grade as the position held by the employee prior to promotion for which the employee is qualified as determined by the District.
- c. If no vacancy exists, as provided for in (a) or (b) above, he/she will be laid off, however, for a period of one (1) year, the employee will be eligible for rehire in the first available opening for which he/she can qualify.

8.12 Transfers - Definitions

A transfer is defined as the reassignment of an employee within the same job classification.

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

8.13 Salary on Transfer

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

8.14 Transfer Procedure

To Implement a Transfer Request:

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

8.15 Demotion

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

8.16 Salary on Demotion

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

ITEM 9 - Days/Hour of Work

9.1 *Workday and Workweek*

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

9.2 *Break Periods*

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

9.3 *Meal Periods*

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

9.4 *Alternate Work Schedule*

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

Approval of individuals requesting an Alternate Work Schedule shall be approved by department management. Department management shall suspend Alternate Work Schedules of individuals or groups if in management's determination, it no longer meets the needs of the District. Some departments may not be able to offer Alternate Work Schedules for employees due to the nature of the work and service to customer.

4/10 Work Schedule – The workweek will consist of four (4) days at ten (10) hours per day and will be paid at straight time rate. The workweek will be Sunday through Saturday. The workdays in this workweek will be Monday through Thursday or Tuesday through Friday, with Monday or Friday as the day off. A work week which allows the day off to fall on a day other than Monday or Friday may be arranged as an exception with the concurrence of the employee and the department manager.

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

ITEM 10 - Overtime

10.1 Policy

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

10.2 Definitions

a. Continuation Overtime

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

b. Call Back Overtime

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

c. Prearranged Overtime

Prearranged Overtime is defined as overtime hours worked when advance notice to work was received with a minimum notice of twelve (12) hours prior to the requested reporting time. The advance notice shall specify the starting time and

ending time for the Prearranged Overtime assignment. If circumstances require work to continue beyond the prearranged ending time, the overtime work after the prearranged ending time will be considered continuation overtime. No minimum time paid will be associated with Prearranged Overtime if it immediately precedes or succeeds the normal work shift.

10.3 Overtime Compensation

Non-exempt employees, excluding contract employees, normally shall be paid at the rate of one and one-half (1-1/2) for all hours worked beyond (a) eight (8) hours per day; (b) forty (40) hours per week; or (c) additional hours worked above the designated work schedule. Call Back Overtime (as described in Section 10.2.b. shall, however, be paid at double the base rate of pay. In addition, Continuation Overtime (as described in Section 10.2.a) for time worked in excess of twelve (12) consecutive hours and continuing until the employee is dismissed from such work shall be paid at the rate of two times the employee's base rate of pay. Employees whose regular shift consists of twelve (12) hours will be paid two times the employee's rate of pay when time worked is in excess of fourteen (14) consecutive hours and continuing until the employee is dismissed from work.

Non-exempt employees on Alternate Work Schedules, as defined in Section 9.4, will be compensated at one and one half (1-1/2) for hours worked above the designated Alternate Work Schedule. Time worked shall not include non-productive hours, such as paid vacation, sick leave, paid holidays, paid jury duty, or paid workers' compensation when calculating overtime. Overtime pay for employees, when applicable, shall be computed on the base rate multiplied by the appropriate shift differential factor. Overtime shall be computed to the nearest one-quarter hour.

10.4 Compensatory Time Off Policy

Subject to the following limitations, any employee eligible for overtime pay may choose to accept Compensatory Time Off (CTO) in lieu of cash compensation. CTO shall be granted at the overtime rate applicable to the hours worked.

- a. The maximum accumulation of CTO at any time shall be limited to 120 straight time hours. However, any accumulation above 80 straight time hours will be subject to supervisory approval.
- b. An employee shall decide whether earned overtime will be recorded as overtime, CTO or an equivalent combination prior to submission of their next time card. Accumulation above 80 straight time hours will be subject to supervisor approval. Such decision shall be irrevocable subsequent to the submission of the time card.
- c. Accumulated CTO shall be used in minimum increments of eight (8) hours in the case of crew-type operations and four (4) hours in the case of non-crew-type operations. Exceptions may be allowed by the supervisor to accommodate occasional unforeseen needs of an employee.

- d. An employee request to use accumulated CTO shall be granted at the sole discretion of the department head with due consideration to both the wishes of the employee and the efficient conduct of District business. Two working days notice is required. However, if the supervisor feels that the workload is such that shorter notice is acceptable, he/she may grant CTO accordingly.
- e. CTO shall not be used in the same pay period in which it is earned.

10.5 Overtime Meal Expense

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

- a. The overtime meal allowance shall be \$1.31 effective the pay period that includes 1-1-18 per overtime quarter-hour worked for Continuation and Call Back Overtime worked. For Prearranged Overtime worked, overtime meal expense begins when time worked is in excess of eight (8) hours on a non-workday, or in excess of two (2) hours worked on a regular workday. The overtime meal allowance shall be automatically adjusted at the same rate as any general wage adjustment granted through action of the District's Board of Directors rounded to the nearest \$0.01. For purpose of calculation of meal expense, the point in time an employee begins collecting pay for overtime will be the same starting point for calculation of meal allowances. However, any overtime payment not associated with time actually worked at the end of the overtime assignment, will not be used to calculate meal allowance such as guaranteed minimums for Call Back Overtime. Payment for overtime meal expense allowance shall be made in accordance with District procedures.
- b. Overtime meal breaks are earned at the rate of 0.03125 hours per overtime quarter-hour worked for Continuation and Call Back Overtime worked and for Prearranged Overtime worked in excess of eight (8) hours on a non workday or in excess of two (2) hours worked as a prearranged extension of regular work hours on a regular workday. Overtime meal breaks will normally be taken at four (4) hour intervals and will not be delayed beyond a six (6) hour interval without the employee's consent. If circumstances do not permit some or all of the earned meal break time to be taken during the work assignment, the balance of the earned meal break time will be credited to the employee as additional overtime worked at the applicable overtime rate(s), which applied when the overtime meal break was earned.
- c. Overtime meal breaks shall not be included in overtime hour worked for the purposes of determining overtime meal expense allowance and the overtime meal breaks earned.

10.6 Overtime Rest Period

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

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

Compensation for the rest period will be allowed at the straight time rate for the hours within the rest period that overlap into the normal working hours. Vacation or CTO may be used to extend the rest period to the end of the employee's normal shift with the approval of his/her supervisor.

10.7 Administrative Leave

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

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

ITEM 11 - Holidays

11.1 Paid Holidays

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

11.2 Procedures

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

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

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

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

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

Employee Birthday Holiday is designated as a floating holiday and must be taken prior to the end of the last bi-weekly pay period which is paid in that calendar year, subject to supervisory approval. New employees will be eligible for this holiday during their first calendar year of employment only if their birthday falls on or after their hire date.

ITEM 12 - Vacation

12.1 Schedule of Benefits

Vacation is earned on an accrual basis based on the schedule below and recorded each pay period as hours of vacation earned. Any changes in an employee's vacation accrual rate will occur at the beginning of the pay period in which the anniversary date occurs. Each regular employee shall be entitled to a paid vacation in the calendar year in which he/she becomes eligible. A newly hired employee is eligible to take the earned vacation following completion of six (6) months of service. Subject to the regulations below, vacation days-earned may be taken any time, subject to supervisory approval. Should an employee terminate or retire, the District will calculate vacation payoff benefits on the basis of actual time served. Long Term Disability is not considered regular pay status. Part-time regular employees earn vacation benefits on a pro-rata basis.

TIME OF SERVICE		ACCRUAL RATE
Months From Hire Date	Years	Days Per Year
through 48 months	From Hire Date through completing 4 years	10
49 through 108 months	From 4th anniversary through completing 9 years	15
109 through 168 months	From 9th anniversary through completing 14 years	17
169 through 228 months	From 14 th anniversary through completing 19 years	20
229 through 288 months	From 19 th anniversary through completing 24 years	22
289 through 348 months	From 24 th anniversary through completing 29 years	24
349 months through 408 months	From 29 th anniversary through completing 34 years	26
409 months & over	From 34 th anniversary and over	28

12.2 Procedures

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

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

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

Exception to the rule of taking vacation in one or two (1 or 2) day intervals may be allowed by supervisors to accommodate occasional unforeseen needs of an employee. Two (2) working days notice is required for such requests. However, if the supervisor feels that the workload is such that shorter notice is acceptable, he/she may grant vacation accordingly.

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

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

12.3 Vacation at Termination/Retirement

- a. If an employee has no earned and unused vacation the termination/retirement date shall be the last day worked.
- b. An employee who terminates/retires and has earned and unused vacation may elect either of the following options:
 1. Continue to work until the date of termination/retirement and be paid for unused vacation, or,

2. Discontinue working and take unused vacation time that would extend from last day worked up to the date of termination/retirement.

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

ITEM 13 - Leaves with Pay

13.1 Purpose/Use of Sick Leave

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

13.2 Accrual Rate

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

13.3 Eligibility

- a. Accrued sick leave may be used in conjunction with an industrial injury. In this case, if Workers' Compensation is paid simultaneously, the employee must return to the District any sick leave paid which is greater than full salary when combined with Workers' Compensation pay. This sick leave will be re-credited to the employee's accrued sick leave account.
- b. Eligible employees who are ill on a holiday will receive holiday pay, provided they are on a regular pay status.
- c. Employees must be in a regular pay status, receiving pay for work, sick leave, vacation, military leave as defined by government code, jury duty, bereavement leave, or on Workers' Compensation (excluding LTD) to be eligible to accrue and receive sick leave benefits. Long Term Disability is not considered regular pay status.
- d. An employee eligible for retirement, as defined in the plan, will receive 35% cash payoff of accumulated sick leave hours from 0-400, 50% for hours 401-800, 75% for hours 801 and above at the time of retirement or may take hours off according to total amount of cash payable divided by last hourly rate. If the employee chooses the latter option, further sick leave and vacation will not accrue during the hours off. Using the formula above, earned and unused sick leave will be paid to a current employee at death.

- e. Sick leave credit may be applied to make up the difference between payments from Workers' Compensation and full salary when employees are off work due to industrial injuries.
- f. In January of each year, the sick leave taken during the previous payroll year will be used to determine qualification for the Sick Leave Usage Incentive. The payroll year encompasses the pay periods associated with all paydays in a calendar year. An employee must have a sick leave balance of at least 240 hours as of the last payday of the calendar year and meets one of the following:
 - 1. An employee who has used twelve (12) hours or less of sick leave during the previous payroll year shall accrue eight (8) hours of vacation. The employee may elect to cash in these eight (8) hours of vacation at the employee's current base rate of pay. Payment of these hours earned or cash under the Sick Leave Usage Incentive will occur as soon as practical, but not later than the second pay period in February.
 - 2. An employee who has used eight (8) hours or less of sick leave during the previous payroll year shall accrue ten (10) hours of vacation. The employee may elect to cash in these ten (10) hours of vacation at the employee's current base rate of pay. Payment of these hours earned or cash under the Sick Leave Usage Incentive will occur as soon as practical, but not later than the second pay period in February.

BEREAVEMENT LEAVE

13.4 Eligibility

In the event of a death in an employee's immediate family, the employee may take three (3) days leave without loss of pay for purposes directly connected to the loss of the family member such as attending the funeral and making necessary arrangements. Employees will receive three (3) days leave and be paid for their regularly scheduled hours of work during such period regardless of the number of hours worked per day/shift. "Immediate family" refers to a biological, foster, or adopted child, a stepchild, a legal ward, or a child of a registered domestic partner; a biological, foster or adoptive parent, a stepparent, or a legal guardian; or a spouse or a registered domestic partner. For the purposes of Bereavement Leave it also includes brother, sister, brother-in-law, sister-in-law, grandparent of an employee, or grandchild of an employee, or the brother or sister, parent, grandparent of a spouse or registered domestic partner, or grandchild of a spouse or registered domestic partner. In the event an employee must travel greater than 200 miles for the death of an immediate family member, the employee may take a maximum of five (5) days leave without loss of pay for purposes directly connected to the loss of the family member such as attending the funeral and making necessary arrangements.

JURY DUTY

13.5 Eligibility

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

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

ITEM 14 - Leaves of Absence

14.1 *Reasons for Leaves*

Leaves of Absence may be granted by the District for any reasonable purpose. Examples include: personal or family illness, family care leave, disability, pregnancy, education, serious health conditions (at least an overnight stay in a hospital and/or three consecutive days of incapacity) and for other personal reasons acceptable to management. Management may require appropriate verification, in order to grant the leave. Granting of leave will allow an employee to be reinstated to the same or to a comparable position at the end of the leave. This leave will run concurrently with any other leave program including FMLA and CFRA.

14.2 *Length of Leaves*

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

14.3 *Commence and End*

A "leave" shall commence on and include the first workday on which the employee is absent, and terminate with and include the workday preceding the day he/she returns to work.

14.4 *Salary/Benefits Status*

An employee's job classification and pay level will not be affected by a leave of absence, with or without pay. However, leaves of 30 or more consecutive calendar days will delay the effective date of a probationary or merit salary increase by an amount of time equal to the time spent on the leave up to a maximum delay of one year.

Vacation, and sick leave are not accrued during leaves without pay of 30 or more consecutive calendar days.

ITEM 15 - Benefits

15.1 Maintenance of Benefits

Active Employees

The District agrees to maintain dental, life, disability and vision insurance programs at substantially the current level of benefit. In addition, the District agrees to pay 100% of the premium costs for such dental, life, disability and vision insurance programs during the term of this Resolution. The employee will be solely responsible for any deductibles or co-payments under the applicable dental, life, disability and vision insurance programs.

The District further agrees to maintain health insurance programs as defined in the applicable benefit plan. The District retains the right to negotiate with third party benefit administrators for the content and costs of health insurance plans, including employee co-payment costs. At anytime the District is considering a change in the level of benefit offered by a provider for the health insurance programs, it will inform the Management and Confidential employees prior to making any changes. The District is committed to providing at least two (2) health insurance provider options for employees and their dependents. If two (2) health insurance providers are not available, the District will notify the Management and Confidential employees.

Each covered employee shall pay, through payroll deduction, 10% of the applicable monthly premium for health insurance coverage elected by the employee (employee only, E+1, E+2 or more). The employee will be solely responsible for any deductibles or co-payments as defined in the particular plan.

a. Opt Out Provision

The District will offer an Opt Out provision, as described below, to all employees hired by the District before January 1, 2018. Employees who are hired or rehired by the District on or after January 1, 2018 shall not be eligible for the Opt Out.

The District will offer an Opt Out provision for eligible employees to waive medical coverage at the employee's option only during health open enrollment annually for the next plan year. The Opt Out shall only be granted if the employee provides acceptable verification during the open enrollment period that the employee, and the employee's covered dependents, if any, have minimal essential coverage (other than coverage in the individual market, whether or not obtained through the Marketplace) as required by applicable regulations. No Opt Out payment will be made if the District knows or has reason to know that the employee or the employee's dependent(s) does not have or will not have this minimal essential coverage. Once Opted Out, employees will be allowed to opt in only during health open enrollment annually however, employees may opt back into District medical coverage if a "qualifying event" as defined under COBRA occurs anytime during the health plan year.

If the employee Opts Out of medical coverage the employee shall receive in the Plan year Opted Out 50% of the monthly premium amount for the least expensive medical health plan then currently available to the District's employees, at the benefit level applicable to the employee and his or her eligible dependents (Employee, Employee +1, Employee +2 or more).

If two employees working for the District are spouses and if they both agree, they shall have the option to elect one medical coverage that will cover both employees and their dependents. The employee Opting Out of coverage shall receive in the plan year Opted Out 50% of the monthly premium as described above.

b. Retiree

The District agrees to maintain medical benefits for eligible retirees and their eligible dependents at substantially the current level of benefit, all as set forth in the Modesto Irrigation District Retirement System Retiree Medical Benefits Plan (Retiree Medical Benefits Plan); provided, however:

1. For employees whose most recent hire date with the District is on or after January 1, 2006, and their eligible dependents, all benefit coverage shall cease at age 65 (or earlier if otherwise provided under the Retiree Medical Benefits Plan). All benefit coverage for such employees and their eligible dependents shall end when the employee reaches age 65.
2. For employees hired on or after January 1, 2013, all age 55 requirements in the Retiree Medical Benefits Plan shall be applied by using age 60 instead of age 55.
3. Effective as of November 18, 2003, an employee who is classified as a Part-Time Regular employee who is eligible for retiree medical benefits under the Retiree Medical Benefits Plan, but who does not have at least 5 consecutive years of covered service while classified as a Full-Time Regular employee shall be responsible for 50% of the premiums the District pays for the coverage for the retiree and the retiree's eligible dependents (rather than just the amounts shown in the Retiree Medical Benefits Plan).

Retiree Monthly Premium Payments

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

15.2 Policy/Carrier Changes

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

15.3 Payment of Employee Educational and Professional Development Activities

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

The District shall reimburse employees up to a maximum of \$3,500 per calendar year.

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

ITEM 16 - Retirement

16.1 *Maintenance of Benefits*

The District agrees to maintain retirement benefits for eligible retirees as set forth in the Modesto Irrigation District Retirement System Basic Retirement Plan (Basic Retirement Plan) effective as of the date of this Resolution, subject to amendment from time to time to include amendments to comply with legal/regulatory requirements.

ITEM 17 - Driver License

17.1 Class A Driver License

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

17.2 Traffic Citations

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

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

ITEM 18 - Safety

18.1 Prevention of Accidents

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

18.2 Employee Safety Program

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

18.3 Safety Meetings

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

18.4 Walk-Around Inspections

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

18.5 District Inspections

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

18.6 On-The-Job Accidents

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

18.7 Fitness for Duty

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

ITEM 19 - Continuity of Service

19.1 Continuity of Service.

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

ITEM 20 - Grievance Procedure

20.1 Definition

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

- a. Any rules, regulations, policies, or administrative procedures pertaining to the terms and conditions of employment of an employee which are created by resolution of the District's governing board, promulgated by the District's General Manager, or set forth in the Employee Handbook; or
- b. This Resolution.
- c. The discharge, transfer, promotion, suspension, or discipline of an individual employee provided that the employee is not considered "at will."

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

20.2 Representation

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

20.3 Time Limits

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

20.4 Grievance Procedure Steps

Step 1

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

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

Step 2

The employee may reduce the grievance to writing and resubmit it to the immediate supervisor within twenty (20) working days after the facts or

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

Step 3

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

Step 4

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

Step 5

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

20.5 Special Provision

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

ITEM 21 - Miscellaneous Provisions

21.1 Positive Discipline

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

ITEM 22 - Reopener – Healthcare Reform

The District and the unrepresented Management and Confidential employees agree to discuss the implementation of the excise tax (“Cadillac Tax”) to be imposed in 2020 on high cost employer sponsored health plans under the Patient Protection and Affordable Care Act (“ACA”). Such discussions shall commence in March, 2019 or within 60 days after final regulations implementing the Cadillac Tax are issued, whichever comes first.