MEMORANDUM OF UNDERSTANDING

between

NOVATO SANITARY DISTRICT

and

TEAMSTERS LOCAL 315

for the period

July 1, 2014 through June 30, 2018

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PREAMBLE

This Memorandum of Understanding (MOU) is entered into pursuant to the Meyers-Milias-Brown Act, California Government Code Section 3500 et. seq. by the Novato Sanitary District (District) and the Teamsters Local 315 (Union). This agreement shall become effective upon approval by the Board of Directors of the District and upon approval by Local 315.

ARTICLE 1. RECOGNITION

The Novato Sanitary District recognizes the Teamsters Local 315 as the certified majority representative of the employees in the unit consisting of those classifications set forth in the attached Exhibit "A.".

ARTICLE 2. TERM

The effective date of this MOU shall be July 1, 2014 through June 30, 2018.

ARTICLE 3. DISCRIMINATION

Neither the District nor the Union will interfere with the right of its employees to become members of or participate in, or to not become members of or participate in, the Union. Neither the District nor Union, nor any of their agents will discriminate against, interfere with, restrain, or coerce any employee because of membership or lack of membership, or participation or lack of participation in the Union.

ARTICLE 4. EMPLOYEE RIGHTS

A. REPRESENTATION

Local 315 may designate up to two (2) employees to serve as employee representatives. The Union shall provide the Manager-Engineer each calendar year with a list of the designated employee representatives.

Employee representatives shall be granted a reasonable amount of time with pay to investigate and process grievances during working hours, to bring about a prompt disposition of the matter. Before leaving their work location assignment to act as employee representatives, they must first obtain permission from their immediate supervisor and inform the supervisor of the nature of the business. Permission will be granted promptly unless absence would cause an undue interruption of work.

Upon entering a work location, an employee representative shall inform the proper supervisor of the general nature of the Union representative's business. Permission to leave the job will be granted to the employee involved unless such absence would cause an undue interruption of work.

B.1. MEMBERSHIP

Within thirty-one (31) days after the beginning of this Memorandum of Understanding, or within thirty-one (31) days of date of hire, whichever occurs later, each employee of Novato Sanitary District (NSD) covered by this Memorandum of Understanding shall be required as a condition of continued employment to:

(a) Become and remain a member of the Union, or

(b) Pay to the Union a service fee in an amount that will be established by the Union each year and communicated to the Manager-Engineer. The Union will use the service fee only for the purposes of labor relations' activities, or

(c) Employees who qualify under the National Labor Relations Act for an exemption from (a) or (b) above, will contribute the amount specified in (b) above, to a charity designated by the parties to this Memorandum of Understanding.

Notification to the Union

The Employer shall supply the Union with names, classifications and work locations of newly hired employees and terminated employees in represented classes within fifteen (15) calendar days of hire or termination. NSD will provide the Union with an up-to-date seniority and classification list for all bargaining unit employees upon reasonable request.

Payroll Deduction

During the term of this Memorandum of Understanding, NSD will deduct Union dues, service fee or charitable contribution from an employee's wages for any employee covered by this Memorandum of Understanding who has voluntarily provided NSD with a written authorization for such deduction. NSD shall provide authorization forms to all current and new employees. Such deductions will continue for the term of this Memorandum of Understanding. The monies deducted will be transmitted by NSD to the Union within fifteen (15) calendar days of the payroll period pay date.

Indemnification

The Union understands and agrees that NSD assumes no liability in connection with any provision of this Article 4. Any question as to the correctness of the deductions authorized and made will be a matter to be resolved between the Union and the employee. The Union shall indemnify and hold NSD harmless from any claims, demands, suits or any other action arising from any provision~~s~~ of this Article 4.

B. 2. DUES DEDUCTION

A) The District agrees to deduct on a monthly basis periodic membership dues from the pay of each employee who voluntarily executes and delivers to the District a valid dues deduction authorization form approved by the Manager-Engineer or his/her representative.

B) If for any reason an employee does not have sufficient funds due him/her to provide for the payment of any of the above payroll deduction after all other authorized or mandatory deductions or garnishments have been made, if any, no such sums shall be payroll deducted and the Union shall assume the duties of direct collection from the employees.

C) The dues deduction authorization shall remain in effect until the employee gives the District thirty (30) days' notice in writing that he/she is revoking his/her authorization.

D) The District shall not be required to collect any initiation fees, special assessments or short time changes in rate.

E) The Union shall indemnify, defend and hold the District and its officers and employees harmless from any and all claims, liabilities and damages arising from or connected with following the instructions contained in such dues deduction authorizations.

F) The Union shall indemnify and hold the District, its directors, officers, employees and agents harmless from any costs or liability resulting from any and all claims, demands, suits, or any other action arising from the operation of this provision or from the use of the monies remitted to the Union, including the costs of defending against any such actions or claims.

The Union shall immediately refund to the District any amounts paid to it in error upon the discovery of such error by the Union or upon notification of the error from the District.

C. Personnel Files

Personnel files within the District's control shall be made available for inspection by an employee, or by a Local 315 representative with the written consent of an employee, within a reasonable time (for the purposes of this section 24 hours) after an employee's request and without loss of pay, provided that the employee makes arrangements with the Manager-Engineer if the inspection occurs on duty. Upon written request, an employee may obtain copies of the materials subject to inspection. The District may preclude inspection of certain information in accordance with the law, such as background and other pre-employment information, and materials relating to confidential investigations.

The District shall furnish the employee copies of all performance evaluation reports and letters of reprimand or warning prior to placement of such documents into the employee's personnel file. The employee may be required to acknowledge the receipt of any document entered into his/her personnel file without prejudice to subsequent arguments concerning the contents of such documents.

An employee who disagrees with the contents of a letter of reprimand or warning which is placed in the employee's personnel file may submit a written response thereto within seven (7) working days of such letter of reprimand or warning and have such response placed in the employee's personnel file.

D. Work Access

A Local 315 representative desiring access to a work location shall state the purpose of the visit and request the Manager-Engineer or his/her designee's authorization prior to the intended visit. If authorization for such access is not granted, the Union representative will be informed when time will be made available. Authorized Union representatives may be given access to work locations during working hours solely for the purpose of conducting grievance investigations, posting literature on bulletin boards, and/or observing working conditions. The Union agrees that its representatives will not interfere with operations of the District or any of its facilities.

E. Bulletin Boards

The District shall furnish reasonable bulletin board space to the Union at all work locations. The boards may be used for the following subjects:

1. Union recreational, social and related Union news bulletins;
2. Scheduled Union meetings;
3. Information concerning Union election or results thereof; and
4. Reports of official business of Union, including newsletters and reports of committees.

Any other written material must first be approved and initialed by the Manager-Engineer or a designee. Material must be properly posted and shall be timely removed by Union representatives.

ARTICLE 5. MANAGEMENT RIGHTS

Teamsters Local 315 recognizes that Novato Sanitary District continues as the sole and exclusive manager of the District's facilities, having all the power, rights, functions, and authority formerly or usually held by management, except to the extent these are limited by a specific expressed provision of this MOU.

ARTICLE 6. WORK CURTAILMENT

The purpose of this section is to insure that the health and safety of the public is not compromised due to a failure of District employees to properly operate and maintain District facilities and equipment.

Under no conditions or circumstances shall the Union or any of the employees it represents individually or collectively cause, sanction, honor or engage in any strike, sit-down, stay-in, sick-out, slow-down, speed-up, work to rule or in any other type of job action, curtailment of work, restriction of production or restriction of service during the term of this Agreement.

ARTICLE 7. WORK SCHEDULE

The Manager-Engineer or designee shall determine the work schedule. The Manager-Engineer or designee shall schedule employees to work on regular work shifts, having regular starting and quitting times. The Manager-Engineer may implement a work schedule that provides for weekend work.

A. Standby Duty

Because of the potential consequences of an operating failure in the District's treatment and reclamation facilities, pumping stations and collection system, it is necessary that all qualified District employees must be available during nonworking hours to receive and respond to emergency calls. The Manager-Engineer may require qualified employees to be on call during non-working hours, including Saturdays, Sundays and holidays. An employee on stand-by duty must be able to be contacted within ten (10) minutes by telephone and must be able to respond to an emergency within thirty (30) minutes after being notified. Stand-by employees must also be prepared to comply with all District safety and substance abuse policies.

When appropriately authorized by the Manager-Engineer, an employee shall receive "Stand by Duty Pay" as specified in the Salary Plan.

B. Changes in Work Shifts

The District shall have the sole discretion to determine the number, type, duration and start time of shifts for any classification. Normally, employees will be notified seventy two hours in advance of any shift change. An employee shall report to his/her supervisor or person being relieved prior to the beginning of the work shift, in sufficient time as may be necessary to receive information and instruction relative to his/her shift, i.e. briefing time.

This provision may be waived in the event of an emergency.

C. Meal Break

The time for a meal break shall be thirty (30) minutes. In a normal work day this break shall be a lunch break. Employees should not work during their meal/lunch break without permission from their supervisor. Employees may not combine or use their meal breaks to shorten their workday, i.e. by choosing not to take their breaks or taking a break at the beginning or end of the workday.

In the event an employee needs to respond to an emergency during lunch, the employee will respond and finish his/her lunch break after completing the emergency work task.

D. Other Breaks

Employees are to be allowed a paid fifteen (15) minute rest break for each four hours worked; as practicable in the middle of each work period. In a normal work day this break may be in the morning and the afternoon. This break will be taken at the job site. Employees may not combine or use their breaks to shorten their workday, i.e. by choosing not to take their breaks or taking a break at the beginning or end of the workday.

ARTICLE 8. OVERTIME

Overtime is defined as work outside of the employee's regular work hours. It is the District's general policy to avoid the need for overtime work whenever possible. Overtime will be paid in quarter hour increments. All overtime work must be authorized in advance by the appropriate supervisor, except in cases of emergency.

Employees may, upon prior authorization of the Manager-Engineer, choose to work either an eight hour/day, forty hour/week schedule, "8/40", or a "9/80" schedule that results in 80 hours worked over a two week period.

For employees on the "8/40" schedule, non-exempt positions are paid on an hourly basis for an eight (8) hour work day. Hours worked in excess of eight (8) per day or forty (40) hours/week are paid at an overtime rate of one and one-half (1.5X) times the regular rate. For employees on the "9/80" schedule, non-exempt positions are paid on an hourly basis for eight 9-hour workdays and one 8-hour workday in a two week period. Hours worked in excess of this are paid at an overtime rate of one and one-half (1.5X) times the regular rate. For purposes of FLSA overtime, the beginning and end of the FLSA workweek shall be the mid-point of the regularly scheduled 8-hour workday.

For approved work required outside of the employee's regular work hours which is assigned with less than 12 hours advance notice, the District will pay a minimum of two (2) hours of overtime.

ARTICLE 9. COMPENSATORY TIME OFF

A non-exempt employee may elect to be compensated for overtime with compensatory time off on the basis of 1.5 hours of time off for each hour of overtime worked at the discretion of the immediate supervisor, and approval of the Manager-Engineer, with due regard to District needs.

Compensatory time off may be accrued up to a maximum of eighty (80) hours of compensatory time in a calendar year. Once an employee accrues eighty (80) hours of compensatory time off, the employee ceases accruing compensatory time off. Compensatory time off may be carried over from one year to the next but an employee may not have more than 80 hours of compensatory time on the books at any time. Excess compensatory time off shall be considered overtime and paid for on the first paycheck after the accumulated total exceeds 80 hours. An employee who wishes to use compensatory time off must fill out a "Leave Request" form. Use of compensatory time off must be approved in advance by the employee's supervisor.

Any employee who separates from District employment shall be paid for all unused compensatory time at the employee's salary rate at the time of the separation.

ARTICLE 10. PROBATIONARY PERIOD

A. All regular employee initial and promotional appointments to permanent full-time positions shall be subject to a probationary period. The probationary period shall be for six (6) months from the date of hire or promotion. An employee's probationary period may be extended by the Manager-Engineer, upon recommendation of the employee's immediate supervisor, for a period of up to six (6) months to allow further observation of an employee's work performance or as otherwise appropriate. Periods of time during unpaid absences shall automatically extend the probationary period by the number of days of the absence. Further, periods of time on paid leave exceeding ten (10) working days shall automatically extend the probationary period by that number of days the employee is on leave.

B. Employees may be terminated during the probationary period for any reason and at any time, without cause, without notice, and without any right of appeal.

C. When a permanent employee is promoted, a promotional probationary period shall begin on the effective date of the promotion. During the probationary period of a promoted employee, the department manager may recommend that the employee be demoted to the former position, range and salary if the employee's performance and/or conduct do not meet the standards set for the position to which the employee was promoted. An employee on promotional probation shall have no rights of tenure in the promotional position and may be returned to his/her former position without cause, without notice and without any right of appeal.

D. Successful completion of the probationary period does not provide the employee any additional, or greater, rights to employment than those held by regular employees.

E. An employee will not under any circumstances have successfully passed probation until the employee receives written notification from the Manager-Engineer, prior to the expiration of the employee's probationary period.

ARTICLE 11. JOB CLASSIFICATIONS

Classified Positions

The Manager-Engineer, or his/her designee, shall recruit and appoint personnel to classified positions. The District may use any legitimate recruitment procedure for attracting qualified applicants.

The Manager-Engineer is the only District employee authorized to hire District employees. All candidates recommended for appointment by a department head are to be interviewed by the Manager-Engineer or his/her designee prior to appointment. This includes part-time, temporary, seasonal and promotional appointments.

COMPENSATION AND BENEFITS

ARTICLE 12. WAGES

The District's current Classification Plan and Salary Plan are attached as Exhibit A and B to this MOU.

ARTICLE 13. DEFERRED COMPENSATION PLAN

Employees may contribute a portion of their salary in accordance with Internal Revenue Service (IRS) regulations to be invested into a Deferred Compensation Plan. Plan information may be obtained from the Manager-Engineer or designee.

ARTICLE 14. VACATION

All full time employees (probationary and regular) are eligible to accrue vacation as follows:

Years of Cumulative Service	Total Possible Annual Accrual (hrs.)	Maximum Cap on Accrual (hrs)
Up to 3 years service	80	240
After 3 years service	96	240
After 5 years service	120	240
After 10 years service	136	240
After 15 years service	160	320
After 20 years service	184	320
After 25 years service	200	320

Once an employee has reached the maximum cap on accrual for his/her particular years of service, the employee ceases accruing vacation. When the employee's vacation accrual falls below the maximum cap on accrual, the employee will resume accruing paid vacation time.

Part-time regular employees (both benefited and non-benefited) are eligible to accrue vacation leave on a pro rata basis. Temporary, seasonal, and emergency employees are not eligible to accrue paid vacation leave.

Eligible employees begin accruing paid vacation time as of the date of hire. Employees may request to take accrued vacation upon completion of at least six months of continuous service with the District, subject to approval by their supervisor. Employees may not request to take vacation that they have not yet accrued.

If a District-paid holiday falls within the employee's scheduled vacation, the employee will be credited with the holiday pay, and will not be charged vacation for that day.

Employees who separate from District service will be paid for any accrued but unused vacation time at the time of separation from District service.

Use of vacation leave must be approved in advance by the employee's supervisor. Employees shall give at least two (2) weeks' notice of a vacation leave request of five or more days and fill out a "Leave Request" form.

Deficit vacation leave requests (requesting vacation leave when an employee has a negative leave accrual balance) will not be approved. Leave taken in excess of that which is accrued will be considered leave without pay.

ARTICLE 15. HOLIDAYS

The holidays for the District are:

1. January 1st (New Years Day)
2. The Third Monday in January (Martin Luther King Day)
3. The Third Monday in February (Presidents Day)
4. The Last Monday in May (Memorial Day)
5. July 4th (Independence Day)
6. The First Monday in September (Labor Day)
7. November 11th (Veterans Day)
8. Thanksgiving Day
9. The Day after Thanksgiving
10. 1/2 day on December 24th
11. December 25th (Christmas Day)
12. 1/2 day on December 31st

When a holiday falls on a Sunday, the following Monday will be observed as the holiday. When a holiday falls on a Saturday, the preceding Friday will be observed as the holiday.

Only full-time probationary and regular employees of the District are eligible to receive paid holidays. Full time employees will be paid eight hours per holiday. Employees working an alternate work schedule, such as a 9/80, will also receive 8 hours of paid leave per holiday.

In addition to the holidays listed above, full-time regular employees who have served at least one full year of continuous employment with the District are entitled to receive two (2) floating holidays per fiscal year. Depending on the date of the anniversary of their appointment, new regular employees will be entitled to receive a pro-rated number of "floating holiday hours" during their first eligible year. Floating holidays may

not be carried over to another fiscal year, and are lost unless used prior to the end of the fiscal year. Use of a floating holiday is subject to approval by the employee's supervisor.

ARTICLE 16. SICK LEAVE

A. Accrual

Eligible employees may accrue paid sick leave time off to be used only in the event of the illness or injury of the employee or the employee's family (parent, spouse, domestic partner, or children only), or for the employee's or the employee's family's medical/dental or other appointment with a licensed health care provider for examination or treatment.

Full time employees (regular and probationary) earn paid sick leave at the rate of eight (8) hours for each calendar month of service. Part-time regular employees (both benefited and non-benefited) accrue paid sick leave on a pro-rata basis. Temporary and seasonal employees do not accrue paid sick leave.

B. Certification

If an employee is absent because of illness, he/she must notify his/her supervisor within one half hour of the time the employee is scheduled to report for work. An ill or injured employee is expected to call personally, and if for some reason that is not possible, must explain the reason upon return to work.

The District typically requires an employee who has been absent from work for three (3) consecutive workdays to provide certification of illness or injury from a healthcare provider before returning to work. However, the District Manager-Engineer or designee, in their sole discretion, may require such certification after an absence shorter than three days.

C. Integration with Workers' Compensation Benefits

An employee receiving workers' compensation insurance benefits will have his/her sick leave, vacation and compensatory time off benefits integrated, unless the employee indicates in writing that the employee does not desire that to occur, so that the employee's pay equals, but does not exceed, the employee's regular straight-time earnings.

D. Use of Sick Leave

In cases where the employee knows in advance of the need to take sick leave, the employee shall complete a Leave Request Form in advance of the requested time off and receive approval for the use of sick leave time prior to its use. Employees on unanticipated sick leave shall complete the leave request form immediately upon return to work. The District reserves the right to require a statement from a certified healthcare provider whenever an employee misses work and takes sick leave under this policy. This statement must contain: 1) a verification that the employee had a health justification for his/her absence from work; 2) the beginning and ending dates of the health-related absence; and 3) a statement that the employee is released to work. If the health care provider recommends any work restrictions be placed on

the employee, the certification must set forth those restrictions, as well as the anticipated duration of those restrictions. Violation of sick leave provisions will result in disciplinary action.

E. Separation From Employment

Upon separation from District employment, an employee is not entitled to receive payment for any unused sick leave. However, accrued sick leave will be credited to the employee's length of service upon retirement from the District, and will become a part of the calculation upon which retirement benefits are established.

F. Sick Leave Abuse

Sick leave is to be used only in the case of real sickness, disability, medical or dental care for the employee or to attend to the health needs of an immediate family member. If the supervisor finds that an employee is abusing the sick leave program, those findings will be reviewed by the Manager-Engineer or designee and presented to the employee. The employee may request the presence of the Shop Steward. The employee shall be notified in writing that he/she will be required to provide a doctor's certification for any additional sick leave. This requirement, once invoked, will remain in effect for a period of six (6) months. At the end of the six month period, the employee and his/her immediate supervisor and the Manager-Engineer will review the employee's sick leave record and decide if the requirement should be continued or discontinued. In any case, the employee shall receive a written notice outlining the decision. Failure of an employee to provide a doctor's certification when required under these terms may result in a loss of pay for the day(s) or time in question.

ARTICLE 17. OTHER LEAVE WITH PAY

A. Bereavement Leave

Leave up to five (5) working days each calendar year may be granted at the discretion of the Manager-Engineer in the event of the death of an employee's family member~~s~~. For purposes of this Section, "family member" means: parent, spouse, registered partner, sibling, child, grandparent and grandchild of an employee or the employee's spouse. The District, in its discretion, may require proof that death of a family member has occurred. Bereavement leave shall be charged against the employee's accrued sick leave. If accrued sick leave has been exhausted, the District will decide whether the bereavement leave will be paid or unpaid. If paid, the leave will be charged first against the employee's accrued, compensatory time off, and then unused vacation. If the employee requesting bereavement leave has no sick leave, vacation, or compensatory time off, the bereavement leave shall be unpaid.

B. Jury Duty and Court Witness Leave

An employee who receives a jury duty summons or a witness subpoena shall bring the summons or subpoena to the employee's supervisor within three (3) working days of receipt so that arrangements can be made to accommodate the employee's need for time off. Employees must keep their supervisors informed of jury or witness service schedule. If called to jury duty or witness duty, any regular full-time employee will be paid up to a maximum of ten (10) working days per year for the working hours lost while

on jury or witness duty. Payment for working days lost while on Jury Duty in excess of (10) working days will be at the discretion of the District Board. This policy does not apply to witnesses testifying as an expert in any matter. Employees wishing to testify as an expert witness must apply for unpaid leave or use vacation, floating holiday, or compensatory time off. For the period of District-paid jury or witness leave, any Court-issued payment, with the exception of travel pay, shall be submitted to the District.

C. MILITARY LEAVE

Military leave shall be granted in accordance with applicable state and federal law.

ARTICLE 18. PERSONAL LEAVE WITHOUT PAY

The District, in its sole discretion and such discretion is not grievable, may permit employees to be on personal leave without pay for a maximum of six (6) months. Employees must obtain permission in writing for personal leave without pay from the Manager-Engineer. Leave without pay in excess of six (6) months will not be granted unless specifically approved by the District Board upon recommendation of the Manager-Engineer. Personal leave without pay shall be granted only after all other applicable available accrued leave time is exhausted.

Employees on personal leave without pay will not accrue vacation, sick leave or other benefits, or receive service credit. Depending on the length of leave, the employee's anniversary date may be adjusted to thereby delay any scheduled date for salary increase. Health and life insurance benefits ordinarily provided by the District, and for which the employee is otherwise eligible, will be continued but not to exceed thirty (30) days. After thirty (30) days, an employee may elect to continue health insurance benefits at his/her own expense.

Failure of an employee on leave without pay to report to work promptly at the conclusion of the approved leave without pay shall be considered a voluntary resignation effective as of the scheduled return to work date.

ARTICLE 19. INDUSTRIAL INJURY LEAVE

Incidents involving injury or illness of an employee in connection with District employment must be reported promptly to the employee's supervisor.

Employees suffering injuries in the course and scope of their work may be entitled to workers' compensation benefits in accordance with state law. To the extent that earned compensatory time off, or vacation leave and sick leave time is available, an employee on workers' compensation leave may choose to be paid the difference between his/her full salary and the compensation insurance payment he/she receives. Or, an employee may elect to receive only the workers' compensation benefits to which the employee is entitled under state law rather than have his/her available accumulated leave charged while on workers' compensation leave.

ARTICLE 20. SPECIAL PAYMENTS

A. CONFINED SPACE ENTRY TEAM

Any employee who serves on Confined Space Entry Team (CSET) will receive a differential of $25/month. The differential will be paid each pay period, while assigned to the CSET. The District retains the sole right to determine the appropriate number of CSET members.

Any vacancy not filled by a volunteer shall be filled by an employee chosen by the Manager-Engineer or designee. CSET Members shall be selected annually. CSET members shall comply with all established confined space standards.

The District will annually review the CSET program to ensure it is still effectively meeting the District's goals and objectives. The District retains the sole right to disband the CSET, if it is no longer meeting the District's goals and objectives.

B. CERTIFICATES/LICENSES

When certificates are required for a position, the District will reimburse the employee for the cost of renewing the certificate.

The District will provide reimbursement for employees who renew/maintain their Class B Drivers Licenses that are required by their job description. Additionally, the minimum qualification for the Collection System Worker I, II & III, and Collections Lead Worker Classifications shall include the possession of a Class B Driver's License.

Employees who receive certification reimbursement or awards are responsible for keeping that certificate current.

C. SAFETY SHOES

The District provides an allowance of $150/year for safety shoes in conformance with the District's safety policy.

D. MEAL ALLOWANCE

Employees will be reimbursed in accordance with IRS guidelines.

ARTICLE 21. BENEFITS

A. DENTAL

The District will continue the current Dental Plan (current as of June 30, 2014.

B. HEALTH CARE

Flexible Benefits (Cafeteria) Plan

1. NSD contracts with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for active employees and eligible retired employees. Eligibility of active and retired employees and the dependents of active and retired employees to participate in this program shall be in accordance with regulations promulgated by PERS and NSD's Medical-After-Retirement Policy.

2. NSD shall pay an amount not less than the amount required under the Public Employees' Medical and Hospital Care Act (PEMHCA) (currently one hundred nineteen dollars ($119.00) per month on behalf of each active and retired employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of currently one hundred nineteen dollars ($119.00) per month, NSD shall pay such amount for the term of this MOU and NSD shall reduce its contribution to the Flexible Benefits Plan below by an amount equal to the PERS requirement.

3. Except as provided herein, represented employees shall purchase medical insurance through the PERS Medical Program. Represented employees who have medical insurance coverage from another source may, by providing written proof of such alternative coverage to NSD, opt out of the PERS Medical Program. Employees who opt out of the PERS Medical Program shall be required to provide written confirmation of alternative coverage annually thereafter, by the first day of the PERS open enrollment period. If such confirmation is not provided, the employee shall be required to enroll in the PERS Medical Program.

Effective July 1, 2014, and for the duration of this Memorandum of Understanding NSD shall make the following contributions to the Flexible Benefits Plan on behalf of represented employees.

a. For an employee who is eligible for employee only medical coverage, NSD shall contribute Seven Hundred Forty Three dollars (743.00) per month.

b. For an employee who is eligible for two (2) party medical coverage, NSD shall contribute One Thousand Four Hundred Eighty Six dollars (1,486.00) per month.

c. For an employee who is eligible for family medical coverage, NSD shall contribute One Thousand Nine Hundred Thirty Two dollars (1,932.00) per month.

January 1, 2015, January 1, 2016, January 1, 2017 and January 1, 2018, the Employer's contribution in a), b) and c) will be adjusted up to the percentage movement of the Medical Care Component of the SF Bay Area CPI U 82-84=100 for the preceding December to December.

For illustrative purposes the December 2012 to December 2013 movement of the Medical Care Component of the SF Bay Area U CPI 82-84 =100 was 5.7 %.

During the Term of this Memorandum of Understanding the parties will meet and review alternate Health and Welfare plans for active and retired employees.

4. Each employee shall file an election in writing during the month of open enrollment for medical insurance each year as to how the monies in his or her Flexible Benefits Account are to be expended during the ensuing plan year. Thereafter, except for major life events (such as birth, death, or change in marital status) no changes to the designations so made shall be allowed until the enrollment period of the following plan year.

a. During the designated Open Enrollment Period each year, each represented employee must satisfy the mandatory and conditional enrollment obligations specified in this Article. In addition, each employee may enroll in the various optional programs offered under the Flexible Benefit Plan.

b. If the costs of an employee's selections exceed NSD's monthly contributions, the employee may designate a portion of his/her wages to be deposited into the Flexible Benefit Plan to cover the cost of such selections.

c. Each employee shall be responsible to provide immediate written notification to NSD regarding any change to the number of his or her dependents that affects the amount of NSD's monthly contributions on the employee's behalf. Changes to NSD's contribution rate shall take effect at the start of the first pay period in the month following the month in which the eligible dependent is either added or deleted under the plan.

d. NSD will not treat the employee share of premium payments within the Flexible Benefits Program as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicate that such contributions are taxable income subject to withholding. NSD shall treat any cash payments to the employee as compensation subject to applicable local, State and Federal tax regulations and shall withhold and report such taxes as required by law. Each employee shall be solely and personally responsible for any Federal, State or local tax liability of the employee that may arise out of the implementation of this section.

e. In the event an employee can properly demonstrate with appropriate documentation that he/she has medical coverage elsewhere or provided by another family member, the employee may decline the District's medical coverage and receive $350 per month.

C. Retiree Health Care Coverage

Pre January 1, 2014
An employee in the bargaining unit and employed by the District as of July 1, 2008 who retires from the District and commences drawing retirement from PERS in accordance with all the qualifications set forth in PERS as to eligibility, enrollment and coverage, will receive up to either the one party or two party Kaiser PERS Bay Area rate, as the case may be, toward his or her retiree medical coverage based on the following vesting schedule;

The District will pay the CalPERS required minimum after retirement, provided the employee is eligible for retirement and has five (5) years PERS service.

The District will pay the CalPERS required minimum after retirement, plus the additional amount to cover the PERS Kaiser single Bay Area rate provided the employee upon retirement has reached the age of 55 and has ten (10) years of service with the District.

The District will pay the CalPERS required minimum after retirement, plus the additional amount to cover the PERS Kaiser two party Bay Area rate provided the employee upon retirement has reached the age of 60 and has fifteen (15) years of service with the District.

The District will pay the CalPERS required minimum after retirement, plus the additional amount to cover the PERS Kaiser two party Bay Area rate provided the employee upon retirement has reached the age of 55 and has twenty five (25) years of service with the District.

For employees hired after July 1 2008 the District will contribute one point five percent (1.5%) of the employee's base monthly salary toward a Medical–After–Retirement Account (MARA) while employed. In addition, if the employee is eligible for retirement and has five (5) years of PERS service, and retires from the District, the District will pay the CalPERS required minimum after retirement. That will be the District's sole responsibility toward retiree medical for employee's hired after July 1, 2008. Such employees are not eligible for any other District retiree medical coverage.

Post January 1, 2014

An employee in the bargaining unit and employed by the District as of July 1, 2008 who retires from the District and commences drawing retirement from PERS in accordance with all the qualifications set forth in PERS as to eligibility, enrollment and coverage, will receive up to Seven Hundred Forty three dollars (743.00) per month for single coverage and One Thousand Four Hundred Eighty Six dollars (1,486.00) per month for two party coverage, toward his or her retiree medical coverage based on the following vesting schedule. January 1, 2015, January 1, 2016, January 1, 2017, and January 1, 2018, the Employer's contribution above will be adjusted up to the percentage movement of the Medical Care Component of the SF Bay Area CPI U 82-84=100 for the preceding December to December.

The District will contribute up to One Hundred Nineteen Dollars per month after retirement, provided the employee is eligible for retirement and has five (5) years PERS service.

The District will contribute up to Seven Hundred Forty three Dollars (743.00) per month for single coverage provided the employee upon retirement has reached the age of 55 and has ten (10) years of service with the District. January 1, 2015, January 1, 2016, January 1, 2017, and January 1, 2018, the Employer's contribution above will be adjusted up to the percentage movement of the Medical Care Component of the SF Bay Area CPI U 82-84=100 for the preceding December to December.

The District will contribute One Thousand Four Hundred Eighty Six Dollars (1,486.00) per month provided the employee upon retirement has reached the age of 60 and has fifteen (15) years of service with the District. January 1, 2015, January 1, 2016, January 1, 2017, and January 1, 2018, the Employer's contribution above will be adjusted up to the percentage movement of the Medical Care Component of the SF Bay Area CPI U 82-84=100 for the preceding December to December.

The District will contribute One Thousand Four Hundred Eighty Six Dollars (1,486.00) per month provided the employee upon retirement has reached the age of 55 and has twenty five (25) years of service with the District. January 1, 2015, January 1, 2016, January 1, 2017, and January 1, 2018, the Employer's contribution above will be adjusted up to the percentage movement of the Medical Care Component of the SF Bay Area CPI U 82-84=100 for the preceding December to December.

For employees hired after July 1 2008 the District will contribute one point five percent (1.5%) of the employee's base monthly salary toward a Medical–After–Retirement Account (MARA) while employed. That will be the District's sole responsibility toward retiree medical for employee's hired after July 1, 2008. Such employees are not eligible for any other District retiree medical coverage.

D. Life Insurance

The District agrees to maintain and pay all costs associated with a $50,000 Life Insurance Benefit for each employee.

E. Vision Insurance

The District will continue the Vision Plan in effect as of June 30, 2014.

F. Retirement

Novato Sanitary District participates in the California Public Employees' Retirement System (PERS), a "defined benefit" plan which provides retirement benefits that are calculated using a defined formula. Retirement benefits are calculated using a member's years of service credit, age at retirement, and final compensation. Under the District's plan, final compensation is based on one-year final base pay.

The District contracts for the 2% at 55 retirement formula that provides 2% of pay at age 55 for each year of covered service. For members who retire earlier, the percentage of pay is reduced to 1.426% at age 50 which gradually increases to a maximum of 2.418% at age 63+. The earliest retirement can occur is at age 50 with a minimum of five years service in the PERS system.

The District has implemented the 2% at 60 retirement formula for all employees hired on or after January 1, 2012. In addition, for those same employees the District will implement the 36-month formula instead of the current 12-month highest salary formula for final retirement compensation determination.

For all employees hired before December 31, 2011, the District pays Employer Paid Member Contributions (EPMC) of 4.5% of base pay and reports this as "Special Compensation". The employee pays the remaining 2.5% of the employee's PERS contribution. Effective January 1, 2014, for all employees hired before January 1, 2012, the District pays Employer Paid Member Contributions (EPMC) of 3.5% of base pay and reports this as "Special Compensation". The employee will pay the remaining 3.5% of the employee's PERS contribution. Effective July 1, 2014, for all employees hired before January 1, 2012, the District pays Employer Paid Member Contributions (EPMC) of 2.5% of base pay and reports this as "Special Compensation". The employee will pay the remaining 4.5% of the employees PERS contribution.

Effective the first day of the pay period closest to July 1, 2015 an across-the-board wage increase determined by the April 2014 to April 2015 CPI (SF Bay Area 82-100) movement plus one percent (1.0%).

Effective July 1, 2015, for all employees hired before December 31, 2011, the District pays Employer Paid Member Contributions (EPMC) of 1.5% of base pay and reports this as "Special Compensation". The employee will pay the remaining 5.5% of the employees PERS contribution.
Effective the first day of the pay period closest to July 1, 2016 an across-the-board wage increase determined by the April 2015 to April 2016 CPI (SF Bay Area 82-100) movement plus one percent (1.0%).

Effective July 1, 2016, for all employees hired before December 31, 2011, the District pays Employer Paid Member Contributions (EPMC) of 0.5% of base pay and reports this as "Special Compensation". The employee will pay the remaining 6.5% of the employees PERS contribution.

Effective the first day of the pay period closest to July 1, 2017 an across-the-board wage increase determined by the April 2016 to April 2017 CPI (SF Bay Area 82-100) movement plus one half percent (0.5%).

Effective July 1, 2017, for all employees hired before December 31, 2011, the District pays Employer Paid Member Contributions (EPMC) of 0.0 % of base pay. The employee will pay the full 7.0 % of the employees PERS contribution.

Effective upon ratification of this Memorandum of Understanding for all employees hired after December 31, 2011, the employee will pay the full employee's PERS contribution.

New Hires and New to CalPERS: For new bargaining unit employees hired on or after January 1, 2013, that are new to the CalPERS retirement system, the District shall provide the California Public Employees' Retirement System miscellaneous members formula of 2% at 62. In this and all other relevant respects, the District would comply with Government Code Sections 7522 et seq. including but not limited to the employee cost share, the cap on pension benefits, and the three-year average for calculating final compensation. Member contribution rate for "new" members will be at least 50 percent of the total normal cost or the same contribution rate as "similarly situated" employees, whichever is higher.

Novato Sanitary District - Represented Employees			
CalPERS Tiers as of July 1, 2013			
		Retirement	% Of Employee
		Formula	Contribution
			Paid By NSD
Hired before January 1, 2012	First Level	2% at 55	4.50%*
Hired after January 1, 2012, but before 1/1/13	First Level	2% at 55	0%
Hired after January 1, 2013 - no prior vesting	PEPRA-New	2% at 62	0%
Hired after January 1, 2013 - prior vested CalPERS mbr	Second Level	2% at 60	0%

* % of Employee Contribution Paid By NSD equals 3.5% as of January 1, 2014 and 2.5% as of July 1, 2014 and 1.5% as of July 1, 2015 and 0.5% as of July 1, 2016 and 0.0% as of July 1, 2017.

G. MEDICARE

All employees hired after April 1, 1986 shall be required to participate in Medicare Coverage Program. The cost of the program is shared equally between the employer and the employee. The employee's contribution will be deducted from the employee's salary.

ARTICLE 22. EVALUATIONS

All regular employees shall receive an annual performance evaluation. This evaluation will be reviewed with the employee in a pre-planned private counseling session. A copy of the final evaluation shall be given to the employee.

ARTICLE 23. DISCIPLINE

A. GENERAL RULES OF CONDUCT

It is expected that all employees shall render the best possible service and reflect credit on the District. Therefore, the highest standards of professional conduct are essential and expected of all employees.

B. DISCIPLINARY ACTIONS

The District may invoke the following types of disciplinary actions:

1. Oral Counseling or Reprimand;
2. Written Reprimand;
3. Suspension without Pay;
4. Reduction in Pay;
5. Demotion;
6. Disciplinary Probation; and
7. Discharge/Termination

C. GROUNDS FOR DISCIPLINE

An employee holding a permanent appointment with the District may be disciplined for cause. District employees who are "at-will" or who are seasonal, temporary or probationary, are not subject to the requirement of cause, and are not entitled to pre-discipline procedures or appeals. Such employees may be disciplined without reference to these provisions.

Good cause exists, not only when there has been an improper act or omission by an employee in the employee's official capacity, but when any conduct by an employee brings discredit to the District, affects the employee's ability to perform his or her duties, causes other employees to not be able to perform their duties, or involves any improper use of their position for personal advantage or the advantage of others. The type of disciplinary action shall depend on the seriousness of the offense and the relevant employment

history of the employee. Causes for disciplinary action against an employee may include, but shall not be limited to, the following:

(a) Misstatements or omissions of fact on an employment application or in the application or appointment process for a position with the District;

(b) Furnishing knowingly false information in the course of the employee's duties and responsibilities;

(c) Inefficiency, incompetence, carelessness or negligence in the performance of duties;

(d) Violation of safety rules;

(e) Violation of any of the provisions of these personnel rules and regulations, department rules and regulations, or District policies, ordinances or resolutions;

(f) Inattention to duty;

(g) Tardiness or overstaying lunch periods;

(h) Being under the influence of: an intoxicating beverage or nonprescription drug; prescription drugs not authorized by the employee's physician, while on duty or on District property, or when called in for emergency duty; or prescription drugs when the employee does not follow the prescription's or the employee's doctor's restrictions regarding use of the drug, while on duty or on District property, or when called in for emergency duty;

(i) Disobedience to proper authority, including, but not limited to, refusing, or failing to perform assigned work, comply with a lawful order, or accept a reasonable and proper assignment from an authorized supervisor;

(j) Any violation of the District's Nondiscrimination and Harassment Policy;

(k) Unauthorized soliciting on District property;

(l) Unauthorized absence without leave; failure to report after leave of absence has expired or after a requested leave of absence has been disapproved, revoked or canceled; or any other unauthorized absence from work;

(m) Conviction of a felony, or a misdemeanor involving moral turpitude, or a violation of a federal, state or local law which negatively impacts the employee's ability to effectively perform his/her job or brings discredit to the District. (For purposes of this section, a misdemeanor conviction does not include a conviction based on a plea of nolo contendere);

(n) Discourteous or offensive treatment of the public, other employees, Board members or contractors;

(o) Falsifying any District document or record;

(p) Misuse of District property; improper or unauthorized use of District equipment or supplies; damage to or negligence in the care and handling of District property;

(q) Fighting, assault and/or battery;

(r) Theft or sabotage of District property;

(s) Sleeping on the job, except as specifically authorized for twenty-four (24) hour duty personnel;

(t) Accepting bribes or kickbacks;

(u) Intimidation or interference with the rights of any employee;

(v) Engaging in outside employment or any other activity or conduct which conflicts with an employee's responsibilities, creates a conflict of interest with District work, which causes discredit to the District, negatively impacts the effective performance of District functions or is not compatible with good public service or interests of the District service;

(w) Abusive or intemperate language toward or in the presence of others in the workplace;

(x) Failure to maintain minimum qualifications for a position, including required licenses or certificates;

(y) Failure to timely respond to an emergency after being notified while on stand by duty;

(z) Any other conduct of equal gravity to the reasons enumerated above as determined by the District.

D. AUTHORITY TO DISCIPLINE

Any authorized supervisory employee may institute disciplinary action for cause against an employee under his/her supervision in accordance with the procedures outlined in these Rules.

E. PRE-DISCIPLINE PROCEDURE

1. For an oral counseling, oral reprimand or written reprimand, an employee may submit a written response within seven (7) working days to the discipline which shall be lodged in the employee's personnel file. No further appeal shall be permitted.

2. For all other discipline, the District shall issue a notice of intent to impose discipline, which shall describe the intended discipline, include a summary of the facts on which the intended discipline is based,

and attach any documents upon which the intended discipline is based. The notice shall state that the employee has a right to respond, orally and/or in writing, before the discipline is imposed. A meeting with the Manager-Engineer or designee who shall be a neutral decision-maker shall be scheduled approximately one (1) week from the date of the notice, unless a different time and/or date is set by mutual agreement. The employee may bring a representative of his/her choice; however, the inability of a particular representative to attend the meeting shall be cause requiring continuance of the meeting. The meeting shall not be an evidentiary hearing, and the employee shall not have the right to call or examine witnesses at this meeting. Rather, the employee shall be provided the opportunity to respond to the charges and to present any new information the employee believes the District should consider.

3. At some reasonable time after the employee has been provided the opportunity to respond to the notice of intent, the District shall render a written decision. If the decision is to issue discipline, the notice shall be a final notice of discipline. The notice shall include the final decision, the effective date of the discipline, and the facts upon which the discipline is based.

F. Post-Discipline Appeal

For suspensions of five (5) working days or more, demotions and terminations, employees shall have the right to appeal from the final notice of discipline.

1. The notice of appeal must be in writing and must be received by the Manager-Engineer within seven (7) working days from the date of the final notice of discipline. Failure to timely file a written notice of appeal shall constitute a forfeiture of the employee's right to appeal the discipline.

2. The appeal shall be heard by an independent hearing officer selected by the District.

3. The District shall pay the cost of the hearing officer. Either party or the hearing officer may request that the hearing be transcribed. If the hearing officer or the District requests that a court reporter transcribe the hearing, the District shall pay the cost of the court reporter and one transcript for each party. If only the employee desires that the hearing be transcribed, the employee shall pay the cost of the court reporter and for the cost of the employee's copy of the transcript.

4. The hearing officer shall have the authority to convene the hearing, receive evidence through testimony and documents and to make findings of fact and conclusions about the discipline. Within two (2) months of the close of the hearing, the hearing officer shall serve a recommended decision on the Manager-Engineer and the employee. The hearing officer's decisions must contain detailed findings of fact relating to the disciplinary charges. The decision may include a recommendation regarding outcome, but the final decision regarding discipline rests with the Manager-Engineer. After consideration of the hearing officer's recommended decision, the Manager-Engineer shall issue a final decision in writing. The Manager-Engineer's decision is reviewable by administrative writ of mandamus within the timeframes established by law.

ARTICLE 24. GRIEVANCE PROCEDURE

A. DEFINITIONS

A "grievance", shall mean a complaint concerning the interpretation or application of this Memorandum of Understanding. This grievance procedure may not be used for any of the following: to change wages, hours or working conditions; to challenge the content of performance evaluations, to contest discipline; or to challenge a reclassification, layoff, transfer, denial of reinstatement or denial of salary increase. If any party initiates litigation, including, but not limited to, administrative proceedings with a state or federal agency such as OSHA, EEOC, DFEH, PERB, etc. concerning a matter which is otherwise subject to the grievance process, the other party may (at their discretion) deem the litigating party as having elected judicial/administrative remedies and waived any rights under this grievance procedure.

A "grievant" is any employee adversely affected by an alleged violation of the specific provisions of the MOU, or the Union, on behalf of one or more represented employees adversely affected by an alleged violation of the specific provisions of the MOU. An employee has the right to the assistance of a representative in the preparation of a written grievance and to be represented in all grievance meetings.

B. PROCEDURE

1. Grievances must be in writing, and initiated within ten (10) working days following the occurrence, or knowledge of the events on which the grievance is based. Failure to do so will result in the grievant being barred from advancing the grievance. A grievance, or a copy of the grievance, should be provided to the grievant's supervisor and the Manager-Engineer.

2. Elements of a Grievance:

The written grievance should include:

a. a description of the specific facts and grounds upon which the grievance is based including the names, dates, and places necessary for a complete understanding of the grievance;
b. a specific explanation of how the grievant has been adversely affected;
c. a listing of the provisions of the MOU which are alleged to have been violated;
d. a listing of specific actions requested by the grievant of the District which will remedy the grievance, including a specific dollar amount, and the basis for the dollar amount, of any alleged damages at issue, provided the employee has access to relevant financial data;
e. a statement declaring self representation or the selection of representation by the Union for said grievance;
f. the printed name and signature of the grievant;
g. the name, address and telephone number of the persons(s) to whom notices may be sent regarding the grievance; and
h. date of grievance

Grievances that fail to include these elements may not be considered or appealed unless the District waives this section.

3. Waiver of Timelines

Any level or review, or any time limits established in this procedure may be waived or extended by mutual agreement confirmed in writing. If a particular grievance is of an unusual or unique nature, which may place it outside the scope of authority of an immediate supervisor, the grieving party may contact the Manager-Engineer to determine the appropriate level for filing such grievance. The determination of the Manager-Engineer in this regard shall be final.

4. Level I - Informal Resolution

It is the intent to deal with and resolve grievances informally, at the nearest practical organizational level, and as promptly and fairly as possible. An employee who has a grievance shall first try to settle it through discussions with the employee's immediate supervisor. The immediate supervisor shall respond within thirty (30) working days which may be extended ten (10) working days with notice to the grievant. Any decisions rendered shall be consistent with the authority to do so.

5. Level II – Manager-Engineer

If the employee is not satisfied with the outcome of the informal resolution, the employee may file a formal written appeal to the Manager-Engineer within five (5) working days after the date a decision was rendered by the supervisor. The appeal shall contain an explanation why the grievant believes the decision of the supervisor was unsatisfactory.

In considering the grievance the Manager-Engineer or designee may, but is not required, to schedule a meeting with the grievant and/or other relevant persons. If the Manager-Engineer or designee schedules a meeting, the Manager-Engineer or designee shall have the right to decide how the meeting is conducted. The meeting shall not be a formal hearing, and examination and cross-examination of witnesses typically shall not be permitted.

The Manager-Engineer or designee shall submit a written decision within the later of either twenty (20) working days after receipt of the grievance or after the grievance meeting(s).

6. Level III – Appeal to Non-Binding Arbitration

If the Union is dissatisfied with the Manager-Engineer's or designee's response, the Union has the sole right to appeal the decision by submitting a request for non-binding arbitration. The appeal must be received by the Manager-Engineer within ten (10) working days of the Manager-Engineer's or designee's response to the grievance.

The Union and District shall attempt to agree upon an arbitrator. If no agreement can be reached, they shall request that the State Conciliation Service supply a panel of five (5) names of persons experienced in hearing grievances involving public employees. Each party shall alternately strike a name until only one (1) name remains. The remaining panel member shall be the arbitrator. The order of striking shall be determined by lot.

If either the District or the Union so requests, an arbitrator shall hear the merits of any issue raised regarding arbitrability first. No hearing on the merits of the grievance will be conducted until the issue of arbitrability has been decided. If the issue of arbitrability is heard by an arbitrator and the arbitrator decides the underlying dispute is arbitrable, either the District or Union may require that the merits of the underlying grievance be heard by a different arbitrator.

The arbitrator shall, as soon as possible, hold a hearing and hear evidence regarding the grievance. Written argument following the hearing may be submitted by the parties if permitted or requested by the arbitrator. A certified court reporter shall record the entire arbitration hearing, unless the parties mutually agree otherwise. The fees and expense of the arbitrator and the certified court reporter shall be shared equally by the District and the Union. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. A party requesting a transcript shall bear the cost thereof; or if each party receives a copy, the cost will be shared equally.

Following the hearing, and receipt of post-hearing written argument, if any, the arbitrator shall submit written findings and a non-binding recommendation to the District's Board of Directors. The Manager-Engineer and the Union shall receive a copy. The Board of Directors may accept, reject or modify the recommendation(s). The Board shall issue a written decision which shall be provided to the Union. The decision of the Board of Directors shall be final.

ARTICLE 25. FULL UNDERSTANDING

A. The parties agree that this MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein.

B. Except as specifically otherwise provided herein, it is agreed that neither the District nor Union shall be required to meet and confer with respect to any subject or matter covered in this MOU

C. All Ordinances, Resolutions, Rules and Practices not inconsistent with this MOU, whether known by the parties at the time this MOU was negotiated and signed or not, shall not be superseded, modified or repealed by implication or otherwise by this MOU.

ARTICLE 26. SEVERABILITY

If any provisions of this agreement should be held invalid or restrained by operation of law or by any court of competent jurisdiction, the remainder of this agreement shall not be affected thereby and the parties shall enter into negotiations for the sole purpose of arriving at a mutually satisfactory replacement for such provision.

By: Sandeep S. Karkal
Sandeep Karkal
District Manager-Engineer

Dated: 11/3/14

By: Dustin Baumbach
Dustin Baumbach
Teamsters, Local 315

Dated: 10/9/14

EXHIBIT "A"

JOB CLASSIFICATIONS

POSITION CLASSIFICATIONS

Collection System Worker I

Collection System Worker II

Collection System Worker III

Collection System Lead Worker

Environmental Compliance Analyst I

Environmental Compliance Analyst II

Construction Inspector

Information Systems Specialist II

Staff Engineer

EXHIBIT "B"

SALARY STRUCTURE

Effective the first day of the pay period closest to July 1, 2014 an across-the-board wage increase determined by the April 2013 to April 2014 CPI (SF Bay Area 82-100) movement plus one percent (1.0%).

Effective the first day of the pay period closest to July 1, 2015 an across-the-board wage increase determined by the April 2014 to April 2015 CPI (SF Bay Area 82-100) movement plus one percent (1.0%).

Effective the first day of the pay period closest to July 1, 2016 an across-the-board wage increase determined by the April 2015 to April 2016 CPI (SF Bay Area 82-100) movement plus one percent (1.0%).

Effective the first day of the pay period closest to July 1, 2017 an across-the-board wage increase determined by the April 2016 to April 2017 CPI (SF Bay Area 82-100) movement plus one half percent (0.5%).