



MEMORANDUM OF UNDERSTANDING

between

PADRE DAM MUNICIPAL WATER DISTRICT

and

**MID-MANAGEMENT and
CONFIDENTIAL ASSOCIATION**

2012-2017

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ARTICLE 1

PREAMBLE

1.1 General

This Memorandum of Understanding (“MOU”) is between the Padre Dam Municipal Water District (hereinafter referred to as “Padre Dam”) and the Mid-Management and Confidential Association (hereinafter referred to as the “MMCA”) for the purposes of setting forth a mutual understanding of the parties as to the wages, hours and other terms and conditions of employment of those employees represented by MMCA.

The Employees and Management have formed a Workforce Partnership through the Employee Involvement Team (EIT) as defined in the EIT Charter formally adopted on June 11, 1997. This process has been renewed on a regular basis, the most recent being in 2009 for a four year term, beginning January 1, 2010 and expiring December 31, 2014.

Department level labor-management cooperation is achieved through “link-pins” which provide forums for problem solving and decision making on issues of interest. EIT members participate in each Link Pin, and form a liaison to the EIT. This structure has a role in the implementation of some of the articles in this MOU.

Much of the groundwork for this MOU was laid during the 2002 negotiations, and where there were no issues between the parties, excerpts from the PDEA Memorandum of Understanding and Padre Dam’s Standard Practices and Policies were used. This MOU was developed through cooperative processes. This document is one of the keys to making Padre Dam an even more successful organization.

ARTICLE 2

RECOGNITION

2.1 Definition of Bargaining Unit

Padre Dam recognizes MMCA as the bargaining representative for all management and confidential employees of Padre Dam Municipal Water District other than the Management Team, those employees represented by the Padre Dam Employees Association and those employees who elect to represent themselves.

2.2 New and/or Change of Classifications

If new classifications are established by Padre Dam and added to the bargaining unit or if the duties of existing classifications are changed, a proposed wage scale shall be assigned thereto, and Padre Dam shall forward the changed/ proposed class and proposed wage to MMCA for review. If MMCA does not respond in writing within seven (7) days of the receipt of such written notice, Padre Dam will assume MMCA does not wish to discuss the proposed changes and will implement same.

MMCA shall be granted an automatic seven (7) day extension at the request of a MMCA Board Member by notifying the General Manager, or his designee, of the requested extension. Should MMCA respond within seven (7) days of the date of receipt of such written notice, or in the case of a requested extension within fourteen (14) days, Padre Dam agrees to meet and confer with MMCA in order to freely exchange information, opinions and proposals relating specifically to the proposed changes prior to their implementation.

ARTICLE 3

ASSOCIATION SECURITY

3.1 Open Shop

Padre Dam agrees to deduct from the paycheck of each employee within the bargaining unit who has signed an authorized payroll deduction card such amount as has been designated by MMCA as Association dues and as so certified by the Treasurer of MMCA. MMCA will certify to Padre Dam, in writing, the current rate of membership dues. Padre Dam will be notified of any change in the rate of membership dues thirty (30) days prior to the effective date of such change. Padre Dam will require the submission of new deduction authorization forms when MMCA changes its membership dues.

Such funds will be remitted by Padre Dam to the Treasurer of MMCA within one (1) month after being withheld from the employee. The employee's authorization for such deductions is revocable at will of the employee, and may be so terminated at any time by the employee giving thirty (30) days written notice to Padre Dam and MMCA or upon termination of employment.

Padre Dam will not be required to honor any bi-weekly deduction authorizations that are delivered to the Accounting Department after the beginning of the pay period during which the deduction should start.

3.2 Discrimination Prohibited

Employees shall not be discriminated against, interfered with, intimidated, restrained, or coerced (by either Padre Dam or MMCA) because they form, join and participate in the activities of MMCA; they refuse to join or refuse to participate in the activities of MMCA; or they represent themselves individually in their employment relations with Padre Dam.

3.3 Internal Association Matters

Padre Dam recognizes the right of MMCA to govern its internal affairs.

3.4 Employee Rights

Employees shall have the right to refuse to join or to participate in the activities of MMCA.

Employees shall have the right to represent themselves individually in their employment with Padre Dam. A member of MMCA who at any time wishes to represent him/herself individually in his/her employment relations with Padre Dam may do so upon filing a written statement to that effect with the Director of Human Resources. The employee shall not be considered as being represented by MMCA while such an unrevoked written statement is on file.

ARTICLE 4

MANAGEMENT RIGHTS

4.1 General

It is understood and agreed that Padre Dam possesses the sole right and authority to operate and direct the employees of Padre Dam and its various departments in all aspects, including, but not limited to, all rights and authority exercised by Padre Dam prior to the execution of this Memorandum of Understanding, except as modified in this MOU. These rights include, but are not limited to:

- a) The right to determine its mission, policies, and to set forth all standards of service offered to the public;
- b) To plan, direct, control and determine the operations or services to be conducted by employees of Padre Dam;

- c) To determine the methods, means, number of personnel needed to carry out Padre Dam's mission;
- d) To direct the working forces;
- e) To hire and assign or to transfer employees within the departments;
- f) To promote, suspend, discipline or discharge consistent with the terms of this MOU;
- g) To layoff or relieve employees due to lack of work or funds or for other legitimate reasons;
- h) To make, publish, and enforce rules and regulations for matters not within the scope of, or consistent with, the meet and confer process;
- i) To introduce new or improved methods, equipment or facilities;
- j) To contract out for goods and for services, subject to meet and confer where legally necessary;
- k) To take any and all actions as may be necessary to carry out the mission of Padre Dam in situations of civil emergency as may be declared by the Board of Directors or the General Manager or his designee; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this MOU.

The Board of Directors has the sole authority to determine the purpose and mission of Padre Dam and the amount of budget to be adopted thereto.

ARTICLE 5

WORK RULES

5.1 Primacy of MOU

The terms and conditions of this MOU shall be approved by resolution and shall supersede all other ordinances and resolutions conflicting with the terms of this MOU.

5.2 Notice of New Work Rules

If new work rules are proposed by Padre Dam or if Padre Dam proposes changes to existing work rules, Padre Dam shall forward the proposed work rules to MMCA for review. If MMCA does not respond in writing within seven (7) days of the receipt of such written notice, Padre Dam will assume MMCA does not wish to meet and confer regarding the proposed changes and Padre Dam may adopt such changes.

MMCA shall be granted an automatic seven (7) day extension at the request of a MMCA Board Member by notifying the General Manager, or his designee, of the requested extension. Should MMCA respond within seven (7) days of the date of receipt of such written notice, or in the case of a requested extension within fourteen (14) days, Padre Dam agrees to meet and confer with MMCA in order to freely exchange information, opinions and proposals relating specifically to the proposed changes prior to their implementation.

ARTICLE 6

MEET AND CONFER

6.1 Association Representatives

Not more than four members of MMCA's negotiating team shall be allowed to attend meet and confer sessions for a successor to this MOU on on-duty status.

6.2 Commencement of Meet and Confer Sessions

The first meeting will be held no later than twenty (20) calendar days after Padre Dam or MMCA receives such notification from the other. At this meeting, each side shall set forth sections to be revised and the proposed revisions thereto. In the event of such notice, each article of this MOU not referred to in such notice of specifications of sections to be revised shall remain in full force and effect throughout the subsequent MOU year(s).

Meet and confer sessions for future memoranda of understanding shall commence on a date so that negotiations may be completed, if possible, by the first Board of Directors meeting in June of that year.

ARTICLE 7

ACCESS TO DISTRICT FACILITIES AND INFORMATION

7.1 Access by Non-Employee Association Representatives

Authorized non-employee Association representatives will be given access to work locations during working hours to post bulletins on bulletin boards without unreasonable interference with employee work. MMCA shall give the Director of Human Resources a written list of such authorized Association representatives. Only those people whose names appear on the current list shall be granted access under this provision.

7.2 Access to New Hires

Padre Dam shall, once per month, make available to MMCA President a list of the names, home addresses, and work locations of all newly hired employees. The President of MMCA, or designee, shall be entitled to contact all newly hired employees for the purpose of providing the employee with an Association brochure and other information about MMCA. These activities will be conducted on the President's and the newly hired employee's own time.

7.3 Access to District Information

Padre Dam will make available to MMCA such non-confidential information pertaining to employment relations as is contained in the public records of Padre Dam, subject to the limitations of the California Public Records Act (Government Code Sections 6250-6260). Requests for such information shall be made to the Director of Human Resources, and such information shall be made available during regular office hours after payment of reasonable costs of duplication, if duplication is requested. Nothing herein shall be construed as requiring Padre Dam to furnish confidential information or to do research, to assemble information, or to compile data.

MMCA agrees that it will furnish sufficient information as to the relevancy of their request to negotiations or enforcement of this MOU.

7.4 Notice of Board of Directors Meetings

Padre Dam will post on the District website all of the Padre Dam Board's regular public meeting agendas in advance of the regular Board meeting. Employees may sign up on the website to be notified of agendas when they are posted.

ARTICLE 8

ASSOCIATION REPRESENTATION

8.1 Shop Stewards

To provide employees with reasonable access to Association representation, it is understood and agreed that MMCA may appoint certain employees to serve in the capacity of steward. Such stewards may, on his/her own time, receive, investigate and process complaints or grievances of employees. When the nature of the grievance requires immediate action, i.e., irreparable harm to an employee, stewards may be permitted to leave their regular work area upon request to, and approval by, their department head. Such request shall not be unreasonably denied.

MMCA shall notify the Director of Human Resources in writing of those employees designated as shop stewards.

ARTICLE 9

DISCIPLINE

9.1 Disciplinary Action

9.1.1 Disciplinary Actions Subject to Notice and Hearing Procedures

Upon compliance with the procedures set forth in Article 9.2 hereof, the following disciplinary actions may be taken against a permanent employee either by the General Manager or such management personnel as he may designate:

1. Suspension from duty: An ordered interruption of duties for more than two days without pay.
2. Salary reduction: A reduction in pay from the employee's current pay within a pay range to any lower pay within that same range, as such range is recorded in Padre Dam's current salary schedule.
3. Demotion: A reduction from a position in one class to a position in another class having a lower salary range effected for disciplinary purposes. (Demotions resulting from employee's inability to perform required duties, organizational changes, or layoffs are not disciplinary.)
4. Dismissal: Discharge from District service.

9.1.2 *Disciplinary Actions Not Subject to Notice and Hearing Procedures*

The following disciplinary actions may be taken against any permanent employee by the General Manager or such management personnel as he may designate without compliance with the procedures set forth in Article 9.2 hereof, but such actions may be reviewed in accordance with the grievance procedures of Padre Dam if requested by the employee:

1. Reprimand, which may be oral or in writing or both.
2. Suspension from duty: An ordered interruption of duties for two days or less without pay.
3. Change in working hours.
4. Reassignment not entailing a salary reduction or demotion.

9.1.5 *Causes for Disciplinary Action.*

It is intended that discipline be imposed primarily for corrective purposes and to address deficiencies in work performance. The following is a non-exclusive list of the more common reasons for disciplinary action:

1. Actions contrary to the rules of Padre Dam.
2. Inefficiency or incompetence.
3. Willful disobedience or insubordination.
4. Self-inflicted abuse that would affect the physical or mental ability to perform the job.
5. Dishonesty.
6. Consumption of alcoholic beverages while on duty or on District premises (except at Park grounds or District social functions while off duty).
7. Intoxication while on duty.
8. Use of non-prescribed prescription or illegal drugs or narcotics while on

duty or on District premises.

9. Disorderly or immoral conduct while on duty or while in District uniform.
10. Discourteous treatment of the public.
11. Conviction of a felony.
12. Unauthorized absence from work.
13. Neglect of duty.
14. Action incompatible with or inimical to public service.
15. Failure to follow safe working practices.
16. Failure to report an injury promptly.
17. Failure to report significant unsafe working practices to supervisor.
18. Possession or use of a firearm or other weapon while on duty or on District premises (except when locked inside personal vehicle) or while in District uniform or while at District functions.
19. Violation of any section of the Ethics Policy (Standard Practices & Policies, Section 20).

9.2 *Disciplinary Procedures for Permanent Employees*

9.2.1 *Purpose.* To insure that all permanent employees are fairly treated when subjected to disciplinary action described in Sections 9.1.1 and 9.1.3 of Article 9 hereof, this section sets forth the procedure for taking such action.

9.2.2 *Investigations Prior to Disciplinary Action.* Any employee who is the subject of an investigation by the Director of Human Resources, and/or General Manager concerning an act which, if proven, could reasonably result in disciplinary action against him or her will be afforded the following safeguards:

(1) The employee will be informed of the nature of the investigation and allegations, advised of the employee's rights to consult with a MMCA representative prior to any interview, and afforded the opportunity to consult with an Association representative prior to an interview, except as noted below. The

employee shall be allowed the right to have an Association representative present during the interview. The opportunity to consult with MMCA representative or to have MMCA representative present at the interview shall not delay the interview for more than twenty-four (24) hours. In cases of emergency or requiring immediate action, no delay of more than one hour will be allowed for purposes of consulting with or having an Association representative present.

(2) All interviews shall be limited in scope to activities, circumstances, events, conduct or acts which pertain to the incident, or recurring similar incidents, which are the subject of the investigation.

(3) Interviews shall be done under circumstances free of intimidation, abuse or coercion.

(4) The employee shall be advised of the results of the investigation and any future action to be taken on the incident.

9.2.3 Notice of Proposed Action. Before dismissing or otherwise disciplining a permanent employee, Padre Dam shall deliver to the employee a written notice of its intention to dismiss or otherwise discipline the employee. Such notice shall be personally served on the employee or sent by registered or certified mail to the employee's place of residence as shown on the records of Padre Dam. The notice shall be served or mailed not less than seven days prior to the proposed disciplinary action and shall contain the following:

1. The kind and effective date of the proposed disciplinary action.
2. The specific charges upon which such action has been proposed and the reasons why such action is being taken. Such charges shall contain any information essential to give the employee a fair opportunity to answer the charges made. Such information shall include, but is not limited to, names, times, dates, places or numbers that may be pertinent to the charges made.
3. If such charges are based upon documents or materials, the notice shall inform the employee of this fact, and shall inform the employee as to the location of such documents or materials. If available and subject to duplication, copies of such documents and materials shall be furnished to the employee with the notice.
4. A time and date for the filing by the employee of written response and for presentment of any oral response, which date shall not be less than seven days after the notice is served on or mailed to the employee, whichever occurs

first.

5. The notice will advise the employee of the employee's right to be represented by MMCA.

9.2.4 Response of Employee. The employee shall have the right to respond, either orally or in writing, or both, no later than the time and date provided in the notice to the employee. The time for response may be extended by the General Manager for a reasonable period if the General Manager determines it to be necessary to provide the employee with a fair opportunity to answer the charges made. Written responses shall be delivered to the General Manager. If the employee desires to make an oral response, the employee shall give written notice to the General Manager of this fact at least two days before the time and date stated in the notice for presentment of the oral response. Failure of the employee to give such notice shall constitute a waiver by the employee of any right to present an oral response.

9.2.5 Oral Response. If the employee gives the notice provided for in Section 9.2.4 hereof, the oral response of the employee shall be presented to the General Manager. At the time of the employee's oral response, the employee shall have the right to be represented by counsel or by a representative of a recognized employee organization, or both. The employee shall have the right to present evidence and to examine adverse witnesses. If the employee desires to have any other available employee present at the time of the oral response in order to present evidence or to examine adverse witnesses, the employee shall, at least two days before the time scheduled for the oral response, file a written request with the General Manager requesting the presence of such persons at the time scheduled for the oral response. The General Manager may continue the matter for a reasonable period until such persons can be present. The proceedings at which the oral response is presented shall be preserved in summary form, but may be recorded and transcribed in full.

9.2.6 Determination by General Manager. Upon expiration of the period of time set forth in Padre Dam's notice to the employee, or if an oral response is presented, upon completion of the response, whichever is later, the General Manager shall review the matter, including any response of the employee and his representatives and any evidence presented, and shall make a determination as to whether to discharge or otherwise discipline the employee. The General Manager shall notify the employee in writing of his determination. Such notice shall be personally served on the employee or shall be sent by registered or certified mail to the employee's place of residence as shown on the records of Padre Dam.

9.2.7 Disqualification of General Manager. If prior to the time set for consideration of the response, the General Manager has become so involved in the matter as to create an actual bias against the employee which prevents the General Manager from fairly considering the response of the employee, the General Manager shall so advise the President of the Board of Directors, who shall thereupon appoint another person to act on behalf of and in place of the General Manager. However, mere prior knowledge of the factual background of the matter shall not, in and of itself, disqualify the General Manager.

9.2.8 Appeal of Decision of General Manager. An employee or former employee dissatisfied with the determination made by the General Manager may appeal the determination to an independent fact finder/arbitrator provided that a written notice of appeal is filed with the General Manager no later than ten (10) working days after the date of personal service or mailing of the notice of the General Manager's determination, whichever is sooner. A mutually agreed upon list of independent fact finders/arbitrators shall be maintained by MMCA and Padre Dam. If a timely appeal is filed with the General Manager, Padre Dam shall schedule a hearing within thirty (30) days of the date of filing of the notice of appeal, and shall notify the employee or former employee of the time and date fixed for the hearing. At the hearing, the employee shall have the right to be represented by counsel or by a representative of MMCA, or both. The employee shall have the right to present evidence and to examine adverse witnesses. The employee shall, at least five calendar days before the scheduled hearing, file a written request with the General Manager requesting the presence of other employees at the hearing. If such persons can be made available without unduly interfering with the operations of Padre Dam, the General Manager shall cause such person to be present at the time of the hearing. The fact finder/arbitrator may continue the hearing for a reasonable period until such persons can be present. The hearing shall be recorded and transcribed in full. The hearing shall be conducted in such a manner as to afford procedural due process to the parties.

9.2.9 Determination of Appeal. If an appeal is taken upon conclusion of the hearing, the fact finder/arbitrator shall review the matter, including any evidence presented at the hearing, and shall make a proposed decision as to whether to confirm the determination of the General Manager. The fact finder/arbitrator shall have the power to recommend reinstatement of a discharged employee and/or impose different discipline upon the employee. Within thirty (30) calendar days after the conclusion of the hearing, the fact finder/arbitrator shall certify the findings and decisions in writing and/ or orally to the Board of Directors. The Board of Directors may then affirm, revoke or modify the action taken as, in its judgment seems warranted, and the action taken shall be final. If the Board of Directors rejects the proposed decision, it may decide the matter upon the record, including the

transcript, or upon an agreed statement of the parties, with or without taking additional evidence.

9.2.10 Status of Employee. During the period prior to the determination of the matter by the General Manager, the employee may be suspended from performance of his or her duties with pay or may be reassigned to other duties. If the final determination of the General Manager is to discharge an employee, the effective date of the discharge shall be the date that the notice of determination is personally served or mailed pursuant to Section 9.2.6 hereof.

9.2.11 Judicial Review. Judicial review of any decision of Padre Dam, or of any commission, committee, board, officer or agent thereof dismissing or otherwise disciplining an employee, which decision is subject to review under Code of Civil Procedures Section 1094.5, may be had pursuant to Code of Civil Procedure Section 1094.5 only if the petition for writ of mandate is filed within the time limit specified in Code of Civil Procedure Section 1094.6.

ARTICLE 10

PERSONNEL REDUCTION

10.1 General

If Padre Dam determines that it will be necessary to reduce personnel based on a lack of work or funds, the positions subject to layoff will be determined based on the operational needs of the District. The need for layoffs will be determined within each department and within each job classification. Temporary and probationary employees in job classifications subject to layoff will be laid off first. Employees in those job classifications who have received less than competent performance evaluations during each of the two preceding years will be laid off second. Employees in those job classifications whose skill and ability are relatively equal as of the time of the layoff will be the last subject to layoff, and will be laid off in reverse order of seniority.

Whenever possible Padre Dam will inform the employee or employees involved at least thirty (30) days prior to the effective date of layoff.

In lieu of layoff, a qualified employee upon request will be given the opportunity to (a) transfer to a position in the same class or (b) demote to a position in a lower class which the employee possesses the specialized skills of the position or has formerly worked for Padre Dam in the lower class, should a vacancy be available or become available within one year. If more than one employee is affected by a

reduction in personnel, and where skill and ability are relatively equal, then seniority for transfer and demotion in lieu of layoff will determine which employee is placed in another position. Determination of seniority for this Article will be by total length of service with Padre Dam and not by length of service in the employee's present job classification.

When a vacancy occurs in a position from which an employee has been laid off or transferred or demoted in lieu of layoff, or when a vacancy occurs in any other position for which the employee possesses the necessary specialized skills, within one year from the date of layoff, transfer or demotion, the vacancy will be offered to that employee or employees in order of their skill and ability, seniority and employment status with Padre Dam at the time of such layoff, transfer or demotion before Padre Dam will attempt to recruit outside Padre Dam. Padre Dam is not required to offer a vacancy to an employee on the recall list if that vacancy would result in a promotion from the position from which they were laid off, but may be offered such a position at Management's discretion. Recall for employment offers will be in the reverse order of layoff as previously stated, except that employees who were laid off with less than competent performance reviews will not be placed on the rehire list. (A rehire list shall be maintained by Padre Dam for the 12 month period following any reduction, transfer or demotion that are non-disciplinary. In the event an employee on the rehire list is offered a position in a class from which the employee was laid off, transferred or demoted, or is offered another position of equal or higher class but does not accept said position, his/her name shall be removed from the rehire list. Employees rehired into a class lower than the one from which they were laid off shall have their name maintained on the rehire list for a higher class until expiration of said list.) Employees on the rehire list shall inform the District of a valid e-mail address for notifications of recall and shall keep the District informed of any changes to their e-mail address. Employees will be notified of a recall by e-mail. If there is no e-mail on file with the District, then they will be notified by certified mail as long as it is available through the USPS. Employees notified of recall shall have seven (7) calendar days to notify the District whether they accept or reject the offer of recall.

10.2 Furloughs

Padre Dam and MMCA agree that they will meet and confer over the impact of furloughs prior to implementing a furlough program.

ARTICLE 11

HOURS OF WORK AND SHIFT PREMIUM PAY

11.1 Work Scheduling

Padre Dam retains the rights enumerated in Article 4, Management Rights, 4.1 General. Specifically, the General Manager shall retain authority over all work scheduling, which authority may be delegated to Department Heads. Such authority shall not be unreasonably exercised.

All employees will have fixed and consistent work hours. Department Heads shall assign those work hours to employees in either of these two schedules:

Red Schedule: The regular work week begins on Saturday and ends on the following Friday.

Blue Schedule: The regular work week begins at 11:01 a.m. on Friday and ends on the following Friday at 11:00 a.m.

Any changes between these two schedules will be effective at the beginning of a pay period.

Scheduled Night Work: Employees will be notified one (1) week prior to the date of the scheduled night work. If one week prior notice is not given, the night work will be considered overtime and Article 13 will apply.

When normal work schedules are changed from a day shift to scheduled night work to accommodate restrictions placed on Padre Dam by other agencies, contractors, etc., employees working the night work will be given ten (10) hours off before reporting back for duty on their normal day shift schedule (see Article 13.1 for details).

If extraordinary situations arise such as emergencies or unpredictable circumstances, department heads may assign work hours, which are not fixed and consistent. Such authority shall not be unreasonably exercised. Department heads and Padre Dam shall make all reasonable efforts to minimize the use of work hours, which are not fixed and consistent.

Employees may request a deviation from their assigned work hours to accommodate the employee's personal preference(s), such as, accommodating the employee's child care, physical or mental fitness, educational or other interests.

Such employee request shall be made in writing and approved in advance by an appropriate supervisor or Department Head. Such request shall not be unreasonably denied.

11.2 Premium Pay

A pay premium applies if more than 50% of the scheduled work hours worked by an employee, in any 24-hour period, occur between the hours of 3:01 p.m. and 7:00 a.m. when the hours are scheduled in advance by the employee's supervisor. The premium shall not apply to hours worked which are not scheduled in advance, such as an extension of the employee's shift due to an emergency or other unscheduled situations and a "call back" as defined in Article 17.

The premium for all hours worked between 3:01 p.m. and 11:00 p.m. shall be 3% above the employee's standard rate of pay as defined in the current Salary Resolution.

The premium for all hours worked between 11:01 p.m. and 7:00 a.m. shall be 5% above the employee's standard rate of pay as defined in the current Salary Resolution.

The applicable overtime calculation shall be applied to any premium pay as premium pay is defined in this article.

11.3 Lead Pay

Purpose: To give Padre Dam the flexibility to provide nonsupervisory leadership needed for established work groups and special designated work teams: to successfully accomplish regular job functions, increased workload, special jobs, or dealing with emergencies: and to foster a more experienced work force.

Job Assignment: An employee may be assigned as a "lead" person by their immediate supervisor with management approval. The lead person will have the responsibility to direct the work of one (1) or more employees, but does not directly perform the annual evaluations for those employees.

Time Frame for Assignment: Assignment may fall into two categories.

1. Permanent Lead - This applies when there is the need for one individual, within a job class, to be assigned as a lead person over a work group in support of Padre Dam in helping maintain job/function oversight on a continual basis.

2. Temporary Lead - This applies when there is the need for one individual to be assigned as a lead person over a work group in support of Padre Dam in meeting short term demands due to increased workload, special projects, and dealing with emergencies. Temporary assignments are defined as those with a duration of at least 5 consecutive work days, but for not more than 26 weeks.

Compensation: The individual given a lead assignment shall be paid a premium of 5% over their current salary grade, or 5% more than the highest salary grade of the individual(s) for which they are responsible, during the lead assignment, which ever is greater.

Conditions of Employment: The individual shall remain in their current job classification and all other conditions of employment shall remain the same.

ARTICLE 12

MEAL AND BREAK PERIODS

12.1 Meal Periods

Each employee shall be provided with a minimum of 30 consecutive minutes of unpaid meal time during the hours worked, during which time the employee shall be free of all duties, except in cases of emergency. This meal period shall be taken halfway through the employee's work shift, to the extent practicable.

12.2 Rest Periods

Each employee shall be provided with two daily paid rest periods of 15 consecutive minutes each, during which the employee shall be free of all duties, except in cases of emergency. The first rest period shall be provided halfway between the time the employee begins work for the day and the employee's meal period, to the extent practicable. The second rest period shall be provided halfway between the employees' meal period and the time the employee ends work for the day, to the extent practicable. Employees requesting lactation breaks shall, to the extent practicable, take the break in conjunction with their rest period. If the time needed exceeds the rest period, employees shall make up the missed time by either reporting early to work or staying later in the day.

12.3 Meal Allowance

An employee shall receive a meal allowance of up to ten dollars (\$10.00) upon proof of purchase after working three (3) or more hours overtime and every five (5) hours thereafter.

In lieu of this meal allowance, Padre Dam may provide employees with appropriate meals at reasonable intervals.

ARTICLE 13

OVERTIME AND COMPENSATORY TIME OFF

13.1 General

All employees in the bargaining unit, except those specified in “Positions Exempt from Overtime”, shall be paid an overtime premium for all hours worked in excess of 40 hours in their regularly scheduled work week. Employees called back to work (as defined in Article 17) on approved Padre Dam recognized holidays shall be paid at the rate of double the employee’s rate of pay in effect for all time worked on the holiday, as described in Article 15, “Holidays”.

Amount of overtime premium shall be time-and-one-half the employee’s pay rate. The overtime premium shall apply to the pay rate in effect at the time the overtime is worked. For example, if another premium also applies, such as the premium in Article 11.2, that premium shall be applied first, and the overtime premium shall be applied last.

Overtime shall not be performed without the express approval of the appropriate Department Head or designated representative.

For purposes of calculating overtime, the following are considered hours worked within an employee’s regularly scheduled hours of work:

- Compensatory time off (CTO)
- Holidays
- Sick leave
- Vacation
- Mandatory Time Off (as defined below)

If, due to unforeseen circumstances other than an emergency (when the EOC is activated) as defined under the Emergency Response Plan, an employee whose

regularly scheduled workday ends at no later than 5:00 p.m., is required to work continuously from the beginning of their shift until after 9:00 p.m., or is called back to work and works past 12:00 Midnight, the employee shall be given ten (10) hours off before reporting for duty. If the ten hours falls into the regularly scheduled workday, Padre Dam will pay the employee for those hours normally worked, and the employee will report for work at the end of the ten hours. If there are less than two (2) hours remaining in that shift, the employee shall be paid for the full shift and return to work at his/her next regular shift. This policy does not apply in an emergency (when the EOC is activated) as defined under the Emergency Response Plan. If an employee does not qualify for the mandatory time off, vacation or CTO will be used to make up the difference in the hours for their shift.

13.2 Compensatory Time Off

Employees may accumulate a maximum of 240 hours of compensatory time off (CTO) for future use, above which any additional overtime will automatically be paid to the employee. The second pay period in May is the cutoff for CTO accrual for annual pay-out. CTO balances will be calculated for payout on the first non-payroll Friday in June. Employees may elect to leave up to 80 hours in their CTO bank. Balance of CTO will be paid to the employee every year or at the time of the employee's termination.

CTO will be calculated at the employee's rate of pay in effect at the time the CTO is paid.

Employees may utilize accumulated CTO as leave from work for any purpose, subject to supervisor approval as for any other leave. This approval shall not be unreasonably withheld.

Padre Dam shall provide employees with a statement of the amount of CTO accumulated with every paycheck.

13.3 Positions Exempt from Overtime

Any employee employed in one of the following job classifications shall not be entitled to overtime pay as described in 13.1 or 13.2 above:

Accounting Manager
Assistant Operations Manager
Communications Officer
Communications Manager
Customer Service Manager

Engineering Manager
 Human Resources Specialist
 Information Systems Manager
 Operations Manager
 Park & Campground Manager
 Plant Manager
 Safety & Risk Manager

In recognition of the overtime hours that may be required of these employees, they shall be provided with one additional week of vacation until they have reached the maximum vacation accrual for their years of service. In addition, the employee currently filling the Plant Manager position shall be given an additional twenty (20) hours of vacation per year in lieu of the additional week as they have already reached the maximum vacation accrual for their years of service.

ARTICLE 14

VACATION

14.1 Accumulation for Non-Exempt Employees

Non-Exempt employees shall earn vacation days at the following rate, based on years of service:

Year	Hours/Pay Period	Days Per Year	Approx. Hours Per Year
1-4	3.7	12	96
5-10	5.24	17	136
11-14	6.47	21	168
15-20	6.77	22	176
21-23+	7.70	25	200

14.2 Accumulation for Exempt Employees

Exempt employees shall earn vacation days at the following rate, based on years of service:

Year	Hours/Pay Period	Days Per Year	Approx. Hours Per Year
1-4	5.24	17	136
5-10	6.77	22	176
11+	7.70	25	200

14.3 General Guidelines for Vacation Accrual/Usage

On an annual basis, employees will be paid for any vacation time over the amount of vacation time that could have been earned for two years. In addition, annually employees may opt to cash out vacation accrual in excess of one year’s accrual, but no less than eight (8) hours.

In the event that employment is terminated for any reason, the earned vacation will be deemed due and payable through the last full month of employment.

Padre Dam considers that an annual vacation is necessary for all employees, whether you travel, staying at home, or engaging in any other type of activity that takes you away from your daily work environment. For this reason, all employees are encouraged to take at least ten (10) consecutive work days' vacation during each year of their employment.

Vacations must be approved in advance by the Department Head to ensure there are no conflicts with District operations.

ARTICLE 15

HOLIDAYS

15.1 General

The following holidays are recognized by Padre Dam for all full-time regular employees:

New Year's Day	January 1st
Presidents' Birthday	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Veteran's Day	November 11th

Thanksgiving (16 Hours)	Fourth Thursday & Friday in November
Christmas Eve (4 Hours)	December 24th
Christmas	December 25th
New Year's Eve (4 Hours)	December 31st

Holidays falling on a Saturday shall be observed the preceding Friday. Holidays falling on a Sunday shall be observed the following Monday.

Partial Holidays will precede the observed day off for the full Holiday.

Any employee who works in a seven (7) day per week area (i.e., Park, Systems Operators, Water Recycling Facility) and whose normal, regular work schedule includes work on a recognized holiday shall be provided with one of the following, as designated by the employee upon department head approval:

- A. One alternate day off on a date designated by the employee within the same work week; or
- B. Up to eight (8) hours added to their vacation bank; or
- C. Up to eight (8) hours paid at straight time.

Employees called back to work on approved Padre Dam holidays shall be paid at the rate of double the employee's rate of pay in effect for all time worked on the holiday. This policy does not apply to employees who work in a seven (7) day per week area (i.e., Park, Systems Operators, Water Recycling Facility) and whose regular work day falls on a holiday.

Any employee working a flexible work schedule of more than an 8-hour days will be credited with 8 hours of holiday pay. Employees have the option of using vacation or CTO for the additional time off.

15.2 *Vacation in Lieu of Holiday.*

All employees will be provided with one day of vacation accrual on the first pay day immediately following Martin Luther King, Jr.'s birthday (third Monday in January) and one day of vacation accrual on the first pay day immediately following Columbus Day (second Monday in October).

ARTICLE 16

SICK LEAVE

16.1 Accumulation

Beginning with date of employment, sick leave at 3.70 hours per pay period shall be credited to the employee, and bi-weekly pay records will reflect current sick leave accumulation.

An employee with no sick leave credit shall not receive compensation for days not worked.

Compensation for accumulated sick leave will be paid for as follows:

a. Upon retirement from Padre Dam (as described in Article 24.1), an employee will be paid for sixty percent (60%) of his/her unused sick leave (up to 240 hours) at the employee's rate of pay at time of retirement. Employees on Padre Dam's payroll as of July 1, 2012, will be eligible to receive sixty percent (60%) of their unused sick leave up to a maximum of the hours banked as of July 1, 2012, or 240 hours, whichever is greater at the time of retirement.

Example A: If, on July 1, 2012, an employee has 145 hours banked, the employee will be eligible to receive 60% of the total hours banked up to 240 hours at time of retirement.

Example B: If, on July 1, 2012, an employee has 430 hours banked, the employee will be locked into that maximum and will be eligible to receive 60% of the total hours banked up to 430 hours at time of retirement.

b. Under (a) an employee hired by June 30, 2012, will be paid an additional one percent (1%) per year for each full year worked after 20 years of continuous service.

c. If the employee has a minimum accumulation of 240 hours (30 days) of unused sick leave, and if the employee so requests, he/she shall be paid annually, for any unused sick leave earned since the last annual payout.

d. **Employees hired on or after July 1, 2012:** If he or she has a minimum accumulation of 240 hours (30 days) of unused sick leave, and if the employee so requests, he/she shall be paid annually, for any unused sick leave earned since the last annual payout up to a maximum of forty (40) hours.

16.2 Uses

Sick leave shall be used for any illness of the employee and may be used to care for an ill family member which includes the child, parent, spouse, or domestic partner of the employee. In addition, sick leave may be used for dental appointments, optical examinations, general health check-ups and office visits to doctors.

As used in this section:

“Child” means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in *loco parentis*.

“Parent” means a biological, foster, or adoptive parent, a stepparent, or a legal guardian.

In accordance with Padre Dam values, employees should use sick leave in a responsible manner. Written proof of illness may be required for absences exceeding three (3) consecutive work days, three (3) days per month, or for suspected sick leave abuse. Sick leave abuse could also result in referral to the Employee Assistance Program or disciplinary action up to and including termination. If sick leave abuse is suspected, the employee will be notified that he/she will be required to bring in a doctor’s statement for future absences.

Approved sick leave must be recorded as such on the time sheets. Padre Dam will not compensate employees for absences which are covered by Workers’ Compensation payments, except to the extent of making up the difference between these payments and the employee’s regular bi-weekly salary.

Social Security taxes will be withheld when sick leave is used for any purpose. Only when an employee is absent from work due to illness for more than six months will sick leave become exempt from Social Security tax withholding.

ARTICLE 17

CALL BACK POLICY

17.1 General

Occasionally Padre Dam may be required during emergency or unscheduled situations to call an employee back to work. Any off-duty employee “called back” to work before or after the normal work day will be paid for the actual hours worked at

the rate of time and one-half, but in no event less than a minimum of three (3) hours at time and one-half will be paid. Call-back time will not be paid to any employee scheduled to work holidays if that day is part of their normal work schedule and they work in a department with a 24-hour or 7-day week operation (see Article 15, "Holidays").

ARTICLE 18

WORKING OUT OF CLASSIFICATION

18.1 General

To assure the orderly performance and continuity of services, Padre Dam may elect to temporarily upgrade employees on an acting basis to positions of a higher classification that are available due to a vacancy or a leave of absence.

It is not the intent of Padre Dam to circumvent or avoid the normal appointment or promotional process, therefore, Padre Dam agrees that it shall not use temporary upgrading for this purpose. In this same regard, Padre Dam shall make every possible and reasonable effort to fill position vacancies in a most expeditious manner, and to keep the need for such temporary upgrades to a minimum. However, for the purpose of this Article and this MOU, it is understood that whether or not a position vacancy is to be temporarily filled shall be determined by and at the sole discretion of Padre Dam. In this same regard, nothing contained in this Article or this MOU shall be construed or interpreted as requiring Padre Dam to fill a temporary position vacancy.

It is further understood that working out of classification pay is not normally available to employees participating in cross-training or job shadowing. The purpose of cross-training or job shadowing is to provide employees with additional information about a position for which they may wish to attain. In order to provide an employee with a cross-training or job shadowing opportunity, they may be scheduled at irregular time intervals which do not fall within the parameters of this article (such as once a week). It is not the intent of Padre Dam to use cross-training or job shadowing to circumvent or avoid paying working out of classification pay as described in this article. However, it is agreed that an employee may receive working out of classification pay while participating in cross-training or job shadowing if they are actually performing the job duties with little or no direct supervision and they fall under the other parameters of this section.

Employees shall have the option to refuse temporary upgrading without prejudice when it is offered.

When employees are temporarily upgraded to acting in a higher classification, as described above, they shall be eligible to receive temporary upgrading pay for the total duration of a temporary upgrading assignment, provided that they are upgraded for at least one (1) work week. The temporary upgrading pay which these employees shall receive, retroactive to the beginning of their temporary upgrading assignment, shall be at the same rate as the classification which they are filling.

ARTICLE 19

SAFETY

19.1 Working Conditions

Padre Dam agrees to maintain safe and clean working conditions at all work locations as appropriate. Padre Dam will provide adequate heat and ventilation and clean and adequate rest room facilities at all work areas as appropriate.

19.2 Safety Clothing and Equipment

Consistent with existing practices, Padre Dam shall provide to employees appropriate safety clothing, tools, devices and other articles to perform their assignments. All employees shall use and wear all safety equipment and clothing provided and shall be responsible for the reasonable care and proper use of all items furnished.

The allowance for a safety jacket is the actual cost, not to exceed \$75 every two (2) years, provided that the employee demonstrates a need to replace the jacket.

Each fiscal year Padre Dam will provide an annual allowance of actual cost not to exceed \$167.00 to each employee who elects to wear hard-toe steel safety shoes on the job for foot protection as approved by the Safety & Risk Manager. Meter Technicians may elect to purchase either hard-toe steel safety shoes as defined above or will be provided with an allowance of \$75 every six months for walking shoes.

19.3 Safe Practices

MMCA agrees that all employees are obligated to conduct themselves in a safe and reasonable manner when executing the performance of their job. MMCA further agrees that it is each employee's responsibility to function in a reasonably prudent manner so as not to injure him/herself or others nor cause damage to District assets.

19.4 *Illness & Injury Prevention Program*

Padre Dam has created an Illness & Injury Prevention Program as required by federal and state law, and employees will be regularly informed of the program.

ARTICLE 20

ANTI-DISCRIMINATION CLAUSES

20.1 *Equal Employment Opportunity*

Padre Dam and MMCA believe that all persons are entitled to equal employment opportunity and do not discriminate against its employees or applicants because of race, color, religion, sex, sexual orientation, gender identity, pregnancy, national origin, ancestry, age, marital status, physical or mental disability or medical condition. Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall and termination.

20.2 *Americans With Disabilities Act*

Padre Dam and MMCA recognize that the Americans With Disabilities Act has been adopted by the Federal Government requiring compliance with the Act in July 1992. Both parties agree to fully comply with the Act and all obligations required thereunder.

ARTICLE 21

VEHICLE USE

21.1 *General*

When a District vehicle is not available for use by an employee engaged in District business, permission for use of a privately owned vehicle may be obtained from the appropriate supervisor. Reimbursement to the employee will be paid at the prevailing rate per mile as established by Standard Practices Section 11.7.12.4(D), upon completion of an approved expense report.

21.2 *Insurability*

Certain District positions require possession of a valid California driver's license. Details of these requirements are found in Standard Practices & Policies,

Section 11.15.2, "District Vehicles".

ARTICLE 22

WAGES AND SALARY

22.1 Paydays

All employees will be paid bi-weekly on Friday, except when these dates fall on a holiday, at which time payment is on the preceding business day. The bi-weekly payroll covers work performed during the two weeks ended on the preceding Friday.

22.2 Salary Adjustments

Effective on the first pay period of the fiscal year July 1, 2012, and subject to the limitations below, all employees shall have their wages adjusted by the annual San Diego CPI-W (February report) with a minimum of 0% and a maximum of 3.5% per year for each year during the term of this Agreement. The salary ranges will also be adjusted each year of the contract effective July 1, 2012 as described herein. Based on the foregoing annual San Diego CPI-W, only the maximum of each pay range will be adjusted. The minimum of all salary ranges will be reduced by ten percent (10%) effective July 1, 2012. In lieu of a merit increase, employees at the top of their salary range may receive an annual bonus based on performance and at Management's discretion.

Beginning with the first pay period of the fiscal year July 1, 2015, no wage adjustment shall be given following a fiscal year ending in which the District experienced the following:

- 15% or greater reduction in water sales below 11,000 ACFT **OR**
- 5% Points or greater increase in PERS employer costs.

22.3 Y-Rating Defined

Y-rating is defined as a cap on an individual's salary/wages, with the employee ineligible for salary adjustments as described in Article 22.2 above. An employee will remain y-rated until the salary range equals or exceeds the current rate of pay, or the employee promotes into a higher paid position. At that time the employee will be eligible for future salary adjustments. Should a salary adjustment result in the removal of the y-rating, the employee will receive any portion of the salary adjustment which would bring the employee up to the maximum rate of pay for the salary range.

The following situations may create the use of y-rating:

Reorganization - When a new job specification is written and approved for an individual's current job position, and a market salary has been determined for the new description, an employee may be y-rated due to salary variance. The employee will have the option of taking a decrease in pay or being y-rated as defined above.

Salary Survey - Should the results of a salary survey indicate a lower salary range for an existing job classification, and an individual within that job classification is paid more than the maximum, the employee will be y-rated.

Transfer to a New Job Classification - Should an individual request to transfer to a new job classification that has a lower salary grade, the employee will have the option of taking a decrease in pay or being y-rated as defined above.

Discipline - In the event that the outcome of a discipline process determines that the freezing of an individual's salary is appropriate, that individual's salary will be considered 'Y' rated.

22.4 Payroll Deductions

Payroll deductions may be authorized by an employee for purposes approved by Padre Dam. Payroll reductions may be authorized for employees who elect participation in the deferred compensation plan and the Section 125 Reimbursement Plan of Padre Dam or any other approved salary reduction program.

22.5 Salary Verification

Padre Dam will not provide individual employee salary information unless required to do so by law or if an employee so authorizes in writing.

22.6 Performance Rating/Salary Review

Employees will be reviewed at least annually on their review date. Reviews are to be based upon two components: (1) specific job standards created in each department by Link Pin or labor-management representatives; and (2) actions in accordance with District Mission, Vision and Values. Employees may receive increases based upon meeting these components.

Any salary changes will be effective on the beginning of the pay period closest to the review date.

22.7 Compensation Policy

The purpose of Padre Dam's personnel classification and compensation system is to support the recruitment, motivation and retention of highly qualified and productive employees and to reward activities that are positive in nature, cost effective and provide a high level of service to Padre Dam's customers and service recipients.

The classification system reflects meaningful and measurable differences in the type, level of work performed and market compensation.

Pay grade maximums are to be approximately the 65th percentile of the average of the top of the salary ranges paid to positions in the relevant labor market as reported in salary survey results. Pay range minimums and maximums are to be established from those survey results. "Relevant labor market" will be defined prior to conducting salary surveys.

As it is one of the goals of Padre Dam's compensation system to recruit highly qualified and productive individuals, new employees may be hired at a rate of pay that does not exceed the midpoint of the designated salary range for that classification. The hiring rate should be the minimum of the range for minimally acceptable qualified individuals. Individuals whose qualifications exceed the minimum may be appointed at a rate above the minimum, up to the midpoint, subject to the approval of the General Manager, or his designee.

22.8 Reclassification

An employee may be reclassified to a higher classification only upon evidence that he or she meets the requirements for the position and provided a vacancy and need exists in the higher classification.

Any reclassification resulting in a salary increase would change an employee's anniversary date for merit increases and performance evaluations to the date of the reclassification.

22.9 Filling Vacancies

All new positions and vacancies will be posted so that all employees who wish to upgrade to fill such vacancies may submit an application for consideration. Any District employee who feels qualified for the open position may submit an application. It is the desire of Padre Dam to fill all new positions and vacancies with the most qualified individual available. Padre Dam, when making a selection to fill a

vacancy, will include in its consideration the employee's work history and knowledge of Padre Dam. Each District employee submitting a request to be considered will compete with outside applicants for job openings if the District determines it necessary to post positions to outside. District employees will be assured access to the entire recruitment process including testing and interviewing. Should a District employee not be selected for the position, the employee will be offered suggestions for further professional development to prepare for the next promotional opportunity.

Advancement through "job families" (broad classifications), may be handled as part of the annual performance review process and may not require posting of the opening. Advancement opportunities will be included in the annual budget.

22.10 Promotions

At the discretion of the department head, promotions may be made providing there is an opening, and an employee is qualified for the position, shows readiness, and evaluations meet or exceed standards. Employees may be placed on a 90-day trial basis for the new position.

Any promotion resulting in a salary increase would change an employee's anniversary date for merit increases and performance evaluations to the date of the promotion.

Employees who receive a promotion will receive either the starting rate in the pay range for their new position or a minimum of five percent (5%) over their current rate of pay, whichever is greater.

ARTICLE 23

INSURANCE

23.1 Group Health Insurance

Full-time regular employees and dependents and/or domestic partners (as defined by California Family Code §297) are covered by a group health insurance plan. Eligibility for participation begins on the first of the calendar month following commencement of regular employment with Padre Dam. "Dependents" means any child under the age of 26 whether they are married or unmarried, live with the parent or not, regardless of earnings level or full-time student status or are claimed on the employee's tax return in accordance with Federal law.

An employee may choose to be covered under any insurance program offered by Padre Dam. Each employee must select a health insurance plan prior to the end of his/her eligibility period.

Padre Dam will pay the following amounts for each insurance plan:

<p>Blue Cross</p>	<p><u>Employees Hired Before July 1, 2012:</u></p> <ul style="list-style-type: none"> • All employees enrolled in Blue Cross by June 30, 2007, will receive their insurance fully paid by Padre Dam until January 1, 2015. • Any employee who was not enrolled in Blue Cross by June 30, 2007, will pay the difference between the cost of Blue Cross and Kaiser by automatic payroll deduction, on a pre-tax basis, until January 1, 2015. • <u>Effective January 1, 2015,</u> all employees enrolled in Blue Cross will pay the difference between the cost of Blue Cross and Kaiser or Sharp, whichever premium is higher, by automatic payroll deduction on a pre-tax basis. • <u>Effective July 1, 2015,</u> in addition to payment of the difference between Blue Cross and Kaiser or Sharp, employees electing dependent coverage will pay 10% of the Kaiser or Sharp additional dependent coverage cost, whichever premium is higher, toward the premium by automatic payroll deduction on a pre-tax basis. <p><u>New Employees Hired on or After July 1, 2012:</u></p> <ul style="list-style-type: none"> • New hires will pay the difference between Blue Cross and Kaiser or Sharp, whichever premium is higher and 10% of the Kaiser or Sharp additional dependent coverage cost, whichever premium is higher, by automatic payroll deduction on a pre-tax basis.
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<p>Kaiser</p>	<p><u>Employees Hired Before July 1, 2012:</u></p> <ul style="list-style-type: none"> • All employees enrolled in Kaiser will receive their insurance fully paid by Padre Dam until July 1, 2015. • <u>Effective July 1, 2015,</u> Padre Dam will pay 100% for employee only coverage and 90% of the cost of dependent coverage. Employees electing dependent coverage will pay 10% of the Kaiser additional dependent coverage cost toward the premium by automatic payroll deduction on a pre-tax basis. <p><u>New Employees Hired on or After July 1, 2012:</u></p> <ul style="list-style-type: none"> • Padre Dam will pay 100% for employee only coverage and 90% of the cost of dependent coverage. Employees electing dependent coverage will pay 10% of the Kaiser additional dependent coverage cost toward the premium by automatic payroll deduction on a pre-tax basis.
<p>Sharp Health Plan</p>	<p><u>Employees Hired Before July 1, 2012:</u></p> <ul style="list-style-type: none"> • All employees enrolled in Sharp Health Plan will receive their insurance fully paid by Padre Dam until July 1, 2015. • <u>Effective July 1, 2015,</u> Padre Dam will pay 100% for employee only coverage and 90% of the cost of dependent coverage. Employees electing dependent coverage will pay 10% of the Sharp additional dependent coverage cost toward the premium by automatic payroll deduction on a pre-tax basis. <p><u>New Employees Hired on or After July 1, 2012:</u></p> <ul style="list-style-type: none"> • Padre Dam will pay 100% for employee only coverage and 90% of the cost of dependent coverage. Employees electing dependent coverage will pay 10% of the Sharp additional dependent coverage cost toward the premium by automatic payroll deduction on a pre-tax basis.

Anyone who retires after July 1, 2007, under Article 24.5.2 and enrolled in Blue Cross after July 1, 2008, shall pay the same amount as active employees who switch to Blue Cross after July 1, 2008.

Details of all plans are explained in pamphlets which each employee is encouraged to review before his/her decision is made.

It is mandatory that each employee notify the Human Resources Department whenever any additions or deletions occur in his/her dependent status.

Active full-time employees and their dependent spouses age 65 or older have the option of selecting either Padre Dam's group health plan(s) (on the same conditions offered to employees under age 65) or Medicare as primary coverage. Employees will be notified at least 30 days prior to their 65th birthday and selection must be exercised in writing at that time.

December of each year is designated as an "open enrollment" period. It is only during this period that an employee may elect to change his/her coverage from one plan to the other. Any changes made during this period will become effective on January 1. Employees electing domestic partner coverage must comply with the requirements of California Family Code §297. Padre Dam retains the right to require verification of the relationship.

In the event the State and/or Federal Government implements a healthcare system which requires employer and/or employee contributions and which provides healthcare services which would duplicate, conflict with, or overlap with all, or a portion of, the healthcare benefits provided under this MOU, the parties agree to reopen for meet and confer the affected provisions of this MOU to address implementation of the new State and/or Federal healthcare system.

23.1.1 Maintenance of Health Insurance Benefits. Padre Dam and MMCA agree that effective January 1, 2013 and continuing for the term of this MOU there shall be no change in the health insurance co-pays for Sharp and Kaiser except as mandated by the insurance providers or by law.

23.2 Health Advocate Program

Padre Dam shall provide a health advocacy benefit program to be paid by all employees through payroll deduction. This program is offered as a benefit to employees and supplements the existing healthcare benefits by providing a high level of customer service assistance to help employees deal with healthcare providers and insurers.

23.3 Elimination of Duplicate Dependent Coverage

Every year at open enrollment, employees not in the Blue Cross plan may choose to eliminate duplicate dependent coverage of health insurance. Padre Dam and the employee will evenly share in the difference between the employee only coverage and the dependent coverage being waived. The cost savings will be paid out monthly via payroll. In order to assure prompt reinstatement of family members, employees must have at a minimum "employee only" coverage.

In the event of an emergency, employees may reinstate family members prior to open enrollment. "Emergency" is defined as loss of coverage for any reason. If an emergency as defined herein does not occur, dependents may be re-enrolled only at open enrollment.

23.4 Group Life Insurance

Full-time regular employees and their eligible dependents are covered by a group life insurance program paid for by Padre Dam. Eligibility begins on the first of the calendar month coincident with or following two months continuous full-time employment with Padre Dam. Benefits are as follows:

Active Employees - Life and AD&D (Accidental Death and Dismemberment) benefits equal to 1-1/2 times basic annual salary with a maximum of \$250,000. Minimum Life and AD&D benefit payable is \$20,000. Coverage reduces to 50 percent at age 70.

Dependents - \$5,000 Life insurance is provided for one or more dependents. "Dependents" includes spouse or domestic partner (as defined by California Family Code §297) and dependent children, six months to age 21 or age 23 if enrolled as full-time student. Dependent children age birth to six months (per insurance regulations) are covered at \$500. Dependent coverage will continue until employee benefits are no longer in effect.

Employees on Retirement will receive Life and AD&D at 50 percent of pre-retirement coverage with a maximum of \$120,000.

23.5 Group Long-Term Disability Insurance

Full-time regular employees are covered by a long-term disability program paid for by Padre Dam. Eligibility begins following 30 days of continuous employment with Padre Dam. Monthly benefits are based upon 66-2/3 percent of basic salary up to a maximum of \$7,000 per month (Social Security benefits integrated). Benefits are payable from the 31st day of accident or sickness until age 64-70 dependent on commencement date of total disability. Additional benefits and details of the plan will be provided each employee when eligibility period has been satisfied.

23.6 Worker's Compensation Insurance

Any employee injured on the job will be entitled to benefits under Padre Dam's Workers' Compensation Insurance coverage. Coverage begins with the fourth (4th) calendar day off the job and continues until the employee is considered able to

return to work. The first week is paid if the employee is hospitalized and off work over 21 days.

Sick leave may be used for time off work due to a work-related injury or illness. The first day off work is the next regular work day immediately following the day the injury/illness occurs. Time paid to go to Worker's Compensation doctor appointments, physical therapy, etc. shall not be counted towards overtime.

If workers' compensation benefits are paid for each day off work, sick leave will be reduced so that the combination of benefits received will not exceed the employee's established rate of pay.

When an employee's sick leave balance is completely utilized, vacation credits may be used.

Padre Dam will coordinate workers' compensation benefits with sick leave/vacation benefits if the employee so elects. In addition, an employee may elect to coordinate the workers' compensation benefits with their compensatory time off account. An employee elects to coordinate benefits if he/she takes sick leave or vacation. Payments received from workers' compensation benefits will be coordinated with an employee's sick leave accruals. To elect not to coordinate benefits, the employee must be on a Medical Leave without pay, in accordance with Standard Practices & Policies, Section 11.13.7.

If an employee elects, or is unable to coordinate accumulated sick leave/vacation credits with workers' compensation benefits, Padre Dam will continue to pay group health, life, dental and long-term disability insurance for a work related injury for a period of 90 days. Such period shall begin with the first day off work. Seniority rights pertaining to retirement benefits will not accrue during the period that full compensation is not received. Sick leave and vacation credits will continue to accrue for the 90 day calendar period. An employee receiving only workers' compensation benefits will be placed on Medical Leave in accordance with Standard Practices & Policies, Section 11.13, except for the foregoing condition.

Under no condition shall the compensation of benefits provided by workers' compensation, sick leave or vacation exceed the normal pay an employee could earn while working.

It is each employee's responsibility to report immediately to his/her supervisor any injuries, regardless of severity, and to complete an injury report

23.7 Unemployment Insurance

Unemployment Insurance is provided by Padre Dam. To apply for benefits or to determine eligibility, employees should contact their nearest Employment Development Department office.

23.8 Cancer/Accident Insurance

A group cancer/accident insurance plan paid for by the employee is available at the employee's option. An information booklet is available to all employees regarding the cancer/accident insurance plan.

23.9 Dental Insurance

Full-time regular employees and their eligible dependents are covered under a dental plan which is fully paid for by Padre Dam. Eligibility for participation begins on the first of the calendar month coincident with or following sixty days of continuous full-time employment with Padre Dam.

It is mandatory that each employee notify the Human Resources Department whenever any change occurs in his/her dependent status.

23.10 Section 125 Reimbursement Plan

Full-time regular employees may elect annually to set aside a maximum of \$2,500 in pre-tax dollars for reimbursement of unpaid medical costs and \$5,000 for dependent care reimbursement.

23.11 Continuation of Coverage

Upon expiration of current insurance policies, Padre Dam shall have the right to select different insurance carriers. Padre Dam agrees to meet and confer with MMCA prior to any changes in coverage.

ARTICLE 24

RETIREMENT

24.1 General

Employees are eligible to retire from Padre Dam with full retirement benefits after the age of 50 with no less than five (5) years of service and whose age combined

with years of service with Padre Dam equals 65 or more. "Full retirement benefits" include: (1) Picture of the Padre Dam; (2) check for \$250; (3) in-house reception or party for the retiree and family, which shall be scheduled after 4:00 p.m. if the party is on a weekday. Padre Dam will contribute an amount up to \$500 for the reception/party, as determined by the General Manager or designee; (4) resolution from the Board of Directors; (5) other benefits as described below; and (6) sick leave payout as described in Article 16.

24.2 Public Employee's Retirement System

24.2.1 Membership. Padre Dam is a member of the Public Employee's Retirement System of the State of California and membership is compulsory for all employees except those specifically excluded. Exclusions include: (1) special contract exclusions; (2) employees who work less than half time; (3) employees who work half time or more but who will work six months or less; and (4) temporary or seasonal full-time employees who will work six months or less.

24.2.2 Service Retirement. For employees hired before June 26, 2010, the basic benefit will be three percent (3%) of "final compensation" for each year of credited service upon retirement at age 60. For employees hired on or after June 26, 2010, the basic benefit will be two and one-half percent (2.5%) of "final compensation" for each year of credited service upon retirement at age 55. Benefits from the State system will be coordinated with benefits from Social Security.

24.2.3 Disability Retirement. An employee becoming disabled to the extent that he/she is incapable of performing his/her duties shall be eligible for disability retirement provided he/she has at least five (5) years of service. Details on disability retirements may be received by contacting PERS Member Services Division.

24.2.4 Death Benefits.

Basic Death Benefit. This benefit is a refund of the member's accumulated contributions plus six month's salary provided he/she has been a member for six years or more. For those who die before completing six years of membership, the benefit is one month's salary for each year of membership plus refund of contributions. The salary referred to is that earned during the year preceding death. Prior service does not count toward this benefit.

1957 Survivor Benefit. Employees with five or more years of service who have reached the minimum age for service retirement have further death protection under this item. The surviving spouse can elect to receive either the basic death benefit or a monthly income equal to one-half the unmodified retirement allowance the

employee was eligible for on the date of his/her death. The monthly income lasts until the spouse's death or remarriage with a guarantee that the System will pay as much under the basic death benefit. Upon death or remarriage of the spouse, the benefit will be continued to natural or adopted unmarried children under age 18.

Death after Retirement. The death benefit is \$500 if death occurs after retirement. This amount will be in addition to any payment which may be made under an optional retirement benefit chosen by the member at his/her retirement.

24.2.5 Termination of Employment. Upon termination of employment, an employee with five (5) or more years of service may either leave his/her contributions with the System and receive, upon attaining retirement age, the retirement benefit he/she has earned, or he/she may withdraw his/her contributions (plus interest), thus terminating his/her membership in the System and receiving no retirement benefits. Except: (1) A member with less than five (5) years of service shall not have the privilege of leaving his/her contributions with the System, but shall automatically have his/her contributions plus interest, refunded upon termination of employment, and (2) A member who is transferring to employment with another agency which is covered under the System shall not have the right to withdraw his/her accumulated contributions.

24.2.6 Contributions. Each employee is required by PERS to contribute eight percent (8%) of the employee's gross salary, exclusive of overtime minus \$133.33. In August of 2011, Padre Dam employees opted to contribute an additional three and one-half percent (3.5%), for a total of 4.5% of the employee contribution in recognition of the financial situation in which the District found itself. Pursuant to Resolution No. 2011-27, Padre Dam paid the remaining three and one-half percent (3.5%). This was a one year change in the employee contribution.

Employees will pay the following amounts toward the employee contribution on the first pay period of the corresponding fiscal year:

- Effective July 1, 2012, employees will contribute five percent (5%)
- Effective July 1, 2013, employees will contribute six and one-half percent (6.5%)
- Effective July 1, 2014, employees will contribute eight percent (8%)

Padre Dam will continue to pay the difference between the contribution indicated above and the eight percent (8%) employee contribution until June 30, 2014.

All employees hired on or after July 1, 2012, shall pay the entire eight percent

(8%) employee contribution.

Padre Dam also contributes additional sums toward the cost of the PERS benefits. In addition, Padre Dam bears the entire cost of prior service benefits. All District contribution rates are established and are subject to revision by the Board of Administration of PERS.

24.2.7 Military Service Credit as Public Service. Employees may elect to purchase up to four years of service credit for any continuous active military or merchant marine service prior to employment with Padre Dam. Interested employees may obtain cost information by contacting PERS Member Service Division. At the employee's direction, payments may be made by payroll withholding.

24.2.8 Purchase of Service Credits. If available, employees may elect to purchase up to five (5) years of service credit from PERS that can be applied toward retirement benefits. Interested employees may obtain cost information by contacting PERS Member Services Division. At the employee's direction, payments may be made by payroll withholding.

24.3 Federal Social Security

Social Security Insurance (OASI) is required by law for every District employee under an arrangement with the State of California Public Employee's Retirement System and the Federal Insurance Contribution Act. Costs are shared equally between Padre Dam and employees. The amount paid by the employee is the prevailing rate as prescribed by federal law.

24.4 Other Benefits

Retirees from Padre Dam may participate in established social functions of Padre Dam on the same basis as active employees. Retirees from Padre Dam may also utilize the recreational facilities of the Santee Lakes Recreation Preserve on the same basis as active employees. Park entry fees will be waived for District retirees and their immediate families. The fishing fee will be waived for District retirees only.

24.5 Retiree Medical Benefits

24.5.1 Retiree Medical Benefits for District Employees Hired Before August 27, 2002

Employees hired before August 27, 2002 shall have the option of retiring under either:

A. With fully paid medical benefits for themselves and their spouses or domestic partners (as defined by California Family Code §297) if they are at least 50 years of age and have at least five years of service with Padre Dam, and their age plus years of service equal 65 OR

B. The formula stated in 24.5.2, together with the additional benefits provided there and in Articles 24.6 and 24.7.

Employees who opt to retire under “B” above receive their life insurance and health insurance paid by the District at the same percentage as paid for District employees.

A list of the employees eligible for this choice will be maintained in the Human Resources Department.

Health insurance coverage for the retiree employee and his/her spouse/ domestic partner (as defined by California Family Code §297) will be coordinated with Medicare and other benefits provided by federal and state law, and will be reduced when retiree employee and/or his/her spouse/domestic partner (as defined by California Family Code §297) qualifies for those benefits. Retirees will be reimbursed for Medicare Part B at the “standard” premium and not on the income adjusted portion. In addition, retirees will not be reimbursed for any Medicare Part D premium.

24.5.2 Retiree Medical Benefits for District Employees Hired After August 27, 2002

For all employees hired after August 27, 2002, Padre Dam will continue to pay premiums upon existing life insurance and health insurance provided for District employees, and at the same percentage as paid for District employees, for any employee and his/her spouse/domestic partner (as defined by California Family Code §297) who has voluntarily retired from Padre Dam based on the following formula:

<u>Age</u>	<u>Minimum Years of Service</u>
50	20
51	19
52	18
53	17
54	16
55 and older	15

Any employee who voluntarily retires from Padre Dam and does not meet the above formula, may purchase health insurance based on the following formula:

<u>Age</u>	<u>Years of Service</u>	<u>Retiree Pays</u>
50	19	10% of Premium
50	18	15% of Premium
50	17	20% of Premium
50	16	25% of Premium
50	15	30% of Premium
55	10	30% of Premium
55	11	25% of Premium
55	12	20% of Premium
55	13	15% of Premium
55 and older	14	10% of Premium

The amount the retiree is required to pay is at the same percentage as paid for District employees plus the percentage listed under “Retiree Pays.”

Retirees under this section may purchase dental and vision (if available) insurances at 100% of the premium cost to Padre Dam. Retirees must pay their share of the monthly premiums at least on a quarterly basis. It is the responsibility of the retiree to pay their obligation on a timely basis. No statements will be sent from Padre Dam to the retiree reminding him/her of the obligation. Any monies not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the dental and/or vision insurance and may not be reinstated in the future.

Health insurance coverage for the retiree employee and his/her spouse/ domestic partner (as defined by California Family Code §297) will be coordinated with Medicare and other benefits provided by federal and state law, and will be reduced when retiree employee and/or his/her spouse/domestic partner (as defined by California Family Code §297) qualifies for those benefits. Retirees will be reimbursed for Medicare Part B at the “standard” premium and not on the income adjusted portion. In addition, retirees will not be reimbursed for any Medicare Part D premium.

24.5.3. Retiree Medical Benefits for Padre Dam Employees Hired After August 8, 2006.

For all employees hired after August 8, 2006, Padre Dam will contribute up to \$600 per month toward the existing health insurance program provided for Padre Dam

employees, and paid by Padre Dam toward current employee health insurance, as it may be amended by meet and confer, for both the employee and his/her spouse/domestic partner (as defined by California Family Code §297), at time of retirement, based on the following schedule. Retirees must pay their share of the monthly premiums at least on a quarterly basis. It is the responsibility of the retiree to pay their obligation on a timely basis. No statements will be sent from Padre Dam to the retiree reminding him/her of the obligation. Any monies not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the medical benefits and may not be reinstated in the future.

This applies to employees who voluntarily retire, based on the following formula:

<u>Age</u>	<u>Minimum Years of Service</u>
50	20
51	19
52	18
53	17
54	16
55 and older	15

For those employees who reach the age of 60 prior to voluntarily retiring, with at least 15 years of service with Padre Dam, Padre Dam will contribute on behalf of the retiree and spouse or surviving spouse/domestic partner up to the maximum paid for Kaiser or Sharp Health Plan, whichever of these two plans is higher.

Said payments for retiree and spouse/domestic partner (as defined by California Family Code §297) shall cease upon the retiree becoming Medicare eligible, regardless of the age of the spouse/domestic partner (as defined by California Family Code §297).

If a retiree dies between ages 55 and Medicare eligibility, the surviving spouse/domestic partner (as defined by California Family Code §297) will continue to receive up to \$300 per month for payment of healthcare insurance until reaching Medicare eligibility or for a maximum of 10 years, whichever occurs first under the same conditions as defined above, at which time all coverage shall cease.

Retirees under this section may purchase dental and vision (if available) insurances at 100% of the premium cost to the District. Retirees must pay their share of the monthly premiums at least on a quarterly basis. It is the responsibility of the

retiree to pay their obligation on a timely basis. No statements will be sent from the District to the retiree reminding him/her of the obligation. Any monies not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the dental and/or vision insurance and may not be reinstated in the future.

24.6. Insurance Benefits for Spouses or Domestic Partners of Retired Employees

Padre Dam will continue to pay, after retirement of an employee, under the same terms and conditions set forth in Articles 24.5.1 and 24.5.2, the premiums upon existing health insurance provided the spouses or domestic partners of said employees at the time of retirement.

Health insurance coverage for the spouse or domestic partner of a Padre Dam retiree will be coordinated with Medicare and other benefits provided by federal and state law, and will thereby be reduced when the spouse or domestic partner qualifies for those benefits.

Upon the death of a Padre Dam retiree, health insurance coverage for the spouse or domestic partner will be continued, provided the spouse or domestic partner keeps Padre Dam informed of his/her name, address and marital status. In the event such spouse or domestic partner remarries, his or her eligibility for such coverage ceases immediately and shall be terminated. This section is subject to the limitations defined in Article 24.5.3.

As used herein, "spouse" shall mean the spouse of the employee at the time of the employee's retirement and "domestic partner" shall mean those individuals as defined by California Family Code §297 at the time of the employee's retirement.

The surviving spouse or domestic partner of an employee who dies prior to retiring and who has met the terms and conditions necessary for retirement and health coverage provided in Article 24.5.1 and 24.6, respectively, shall be provided the same coverage for the surviving spouse's or domestic partner's lifetime as though the death had occurred after retirement of the employee, subject to the limitations defined in Section 24.5.3.

24.7 Insurance Benefits for Dependents of Employees

Employees who retire after August 27, 2002 may, at the time of retirement, purchase health, dental and vision (if available) insurance for any additional dependents at the same premium which Padre Dam pays its providers. Retirees must pay the monthly premiums at least on a quarterly basis. It is the responsibility of the

retiree to pay the premiums on a timely basis. No statements will be sent from Padre Dam to the retiree reminding him/her of the obligation. Any premium not received by the 15th of the month in which the payment is due will disqualify the retiree from continuing the dependent insurance and may not be reinstated in the future.

Upon the death of a retiree employee, health, dental and vision (if available) insurance coverage for the dependents will be continued, under the same terms and conditions allowed by the insurance provider, provided the dependents keep Padre Dam informed of his/her name, address and dependent status and meet the obligations set forth above. In the event other coverage is available to dependents due to the remarriage of the surviving parent, his or her eligibility for such coverage ceases immediately and shall be terminated.

As used herein, "dependent" shall mean the dependent children (as defined by the insurance provider) of the employee at the time of the employee's retirement.

The dependents of an employee who dies prior to retiring and who has met the terms and conditions necessary for retirement and health coverage provided in Article 24.5.1, 24.5.2 and 24.5.3, respectively, shall be provided the same coverage for the dependent as though the death had occurred after retirement of the employee. The terms and conditions provided in Articles 24.5.1, 24.5.2 and 24.5.3 shall apply to the dependents.

24.8 Insurance Benefits for Out of Area Retirees.

Should a retiree or surviving spouse/domestic partner of a retiree move outside the service area of any insurance plan offered by Padre Dam, Padre Dam will reimburse the retiree or surviving spouse/domestic partner, upon proof of insurance and premium payment, up to the maximum paid for Kaiser or Sharp Health Plan for non-Medicare eligible recipients or Kaiser or Secure Horizons for Medicare eligible recipients, whichever of these two plans is higher. This Article is subject to the limitations contained in Article 24.5.3.

24.9 Voluntary Elimination of Retiree Coverage.

Retirees who reside out of the coverage area and are unable to utilize benefits under the coverage programs of the District may waive all coverage under those benefits. The District and the retiree will evenly share in any resulting premium cost savings to the District. The savings will be distributed every six (6) months, and will be taxable to the retiree. If the retiree returns to the area and desires to be reinstated to a program offered by Padre Dam, they will be reinstated so long as the insurance company allows the reinstatement. If the insurance company does not

allow reinstatement, the retiree may purchase insurance and be reimbursed by Padre Dam as provided in Article 24.8.

ARTICLE 25

EMPLOYEE BENEFIT PAMPHLETS

25.1 General

The employee benefits described in this Memorandum of Understanding are a general summary of benefits provided. The actual insurance policies and contracts define and govern the specific benefits and eligibility requirements. Employee benefit pamphlets will be provided to each employee of Padre Dam at no cost to MMCA.

ARTICLE 26

STRIKES AND LOCKOUTS

26.1 General

MMCA agrees that there shall be no strikes, work stoppages or slowdowns, and Padre Dam agrees that there shall be no lockouts during the life of this MOU. Any disputes arising for any reason shall be settled through the Grievance Procedure, Standard Practices & Policies Manual, Section 12.24.

ARTICLE 27

COMPETITIVE PRICING OF SERVICES

27.1 General

Padre Dam seeks to be the “benchmark” in providing cost-effective and competitive services to its customers. Padre Dam and its employees agree to work together to achieve competitive pricing of services. Padre Dam agrees that during the term of this MOU there shall be no layoffs resulting from competitive pricing of services.

27.2 Contracting Out

Consistent with Padre Dam’s Workforce Partnership, each department shall be responsible for developing, through the Link Pin process and with a report to the EIT, appropriate contracting out opportunities that help to achieve cost effective and

competitive services.

ARTICLE 28

DISTRICT STANDARD PRACTICES & POLICIES

28.1 General

MMCA agrees that all other policies and practices set forth in Padre Dam Standard Practices and Policies Manual, not specifically included herein, shall apply and the members of MMCA shall be bound by those standard practices and policies as if they were contained herein. It is understood and agreed that if a conflict should arise between this Memorandum of Understanding and Padre Dam Standard Practices and Policies Manual, this Memorandum of Understanding shall prevail.

Padre Dam agrees to meet and confer with MMCA prior to implementing any changes to the Standard Practices and Policies Manual regarding wages, hours and working conditions that are not specifically covered in this Memorandum of Understanding.

ARTICLE 29

SAVINGS CLAUSE

29.1 General

It is understood and agreed that all provisions of this MOU are subject to applicable laws, and if any provision of any article of this MOU is held or found to be in conflict therewith, said article shall be void and shall not bind either of the parties hereto. However, such invalidity shall not affect the remaining articles of this MOU. In the event that any provisions shall be held unlawful and unenforceable by any court of competent jurisdiction, the parties agree to meet forthwith for the purpose of renegotiating such provisions in an attempt to reach a valid MOU.

ARTICLE 30

ENTIRE MEMORANDUM OF UNDERSTANDING

30.1 General

Padre Dam and MMCA have created this MOU in recognition that circumstances and interests may change during the life of this agreement, and addressing issues in a

timely manner will improve communication and build trust.

An MOU creates flexibility to solve problems and clarify areas of confusion in the MOU. All issues and articles within the MOU are subject to review by the negotiating team using the procedures outlined below, except that wages as defined in Article 18 are not subject to reconsideration for the duration of this MOU.

Procedure:

1. Either Padre Dam or MMCA can request a meeting of the negotiating team to discuss the specific issues or articles contained in the MOU.
2. Notification by the General Manager and the MMCA President of the other party is required.
3. The notice shall be in writing and contain the issue(s) and interest(s).
4. Upon receiving the notification, both parties will schedule a meeting to occur within twenty (20) calendar days.
5. The negotiating team will utilize Interest-Based Problem Solving to address the issue and interests of both Padre Dam and MMCA.
6. All recommended changes must be agreed to by consensus and upon ratification by the MMCA and the Board of Directors, will be incorporated into the Memorandum of Understanding.

ARTICLE 31

DURATION

31.1 General

The term of this Memorandum of Understanding shall commence on July 1, 2012, and shall continue in full force and effect until June 30, 2017.

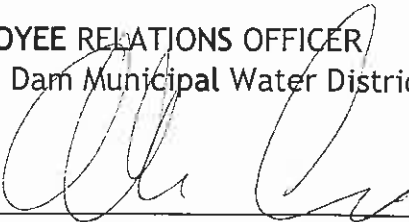
This Memorandum of Understanding shall be submitted to the Board of Directors of Padre Dam Municipal Water District in accordance with Section 12.18 of Padre Dam's Standard Practices and Policies Manual. This Memorandum of Understanding shall not be binding unless approved by the Board of Directors. If approved, it shall constitute a contract between Padre Dam and MMCA.

IN WITNESS WHEREOF, the undersigned agree to submit this Memorandum of

Understanding to the appropriate bodies.

EMPLOYEE RELATIONS OFFICER
Padre Dam Municipal Water District

Dated: 4-18-12

By 
Allen Carlisle

MID-MANAGEMENT and CONFIDENTIAL ASSOCIATION

Dated: 4-18-12

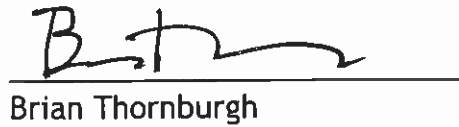
By 
Dan Black, President

The foregoing Memorandum of Understanding was approved by the Mid-Management and Confidential Employees Association and Padre Dam Municipal Water District Board of Directors. Our signature below indicates our approval and support of the Memorandum of Understanding:

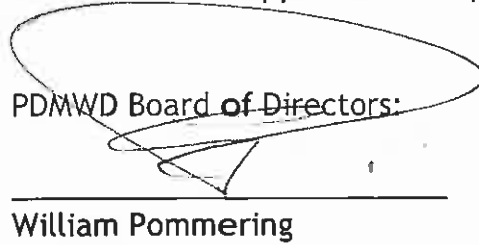
MMCA Board of Directors:


Dan Black


Paul Clarke


Brian Thornburgh

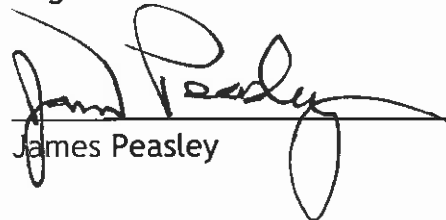
PDMWD Board of Directors:


William Pommering


Augie Caires


Douglas Wilson

Augie Scalzitti


James Peasley