



MEMORANDUM OF UNDERSTANDING

Between

Stockton East Water District

And

Stockton East Water District Employees

April 1, 2020 – March 31, 2026

Revised: June 28, 2022

MEMORANDUM OF UNDERSTANDING

Stockton East Water District (“District”) and representatives of the Employees of Stockton East Water District (“Employees”) have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees; have freely exchanged information, opinions and proposals; have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees; and hereby enter into this Memorandum of Understanding (“MOU”) in order to set forth those terms.

This Memorandum of Understanding was approved by the District’s Board of Directors on March 3, 2020. The MOU was subsequently revised to include revisions to Section 4., and addition of Section 16. Certification/Related Courses & Training and approved by the District’s Board of Directors on June 28, 2022.

Section 1. Term

The effective date of this MOU will be April 1, 2020, and it will remain in effect until March 31, 2026 (Six Years).

Section 2. Regular Employee

A Regular Employee is an employee who has satisfactorily completed their introductory period and has been assigned to a budgeted position.

Section 3. Diver’s Pay Rate

The District will pay Divers the rate of \$35.00 per hour in addition to Diver’s regular pay for performing District diving duties. Any divers, who are present and involved with any dive operations, will be paid at the dive rate for the time spent at the site of the dive.

Section 4. Incentivized Certification & Licensure

Section 4a. Class A & B Driver’s License

Employees driving District vehicles within the ordinary course of their employment and in possession of a valid California Department of Motor Vehicle Class A License will receive a one-time salary increase of 2.5% or Class B License will receive a one-time salary increase of 1.5%. Certain reasonable expenses incurred to obtain Class A or B Driver’s Licenses will be paid by the District with the advance written approval of the General Manager.

Section 4b. Crane Certification

Employees operating District mobile crane equipment within the ordinary course of their employment and in possession of current National Certified Crane Operator Certification with Boom Truck Fixed-Cab (BTF) designation or Service Truck Crane (STC) designation will receive a one-time salary increase. See graph at end of Section.

Section 4c. Water Treatment Plant Operator Certification

Employees in possession, and continued maintenance of a Grade V Water Treatment Plant Operator Certification issued by the California State Water Resources Control Board, but not required by their job description, will receive a one-time salary increase of 2.5%. See graph at end of Section.

Summary of Incentive for Certification & Licensure

Incentive	Yearly	Per Pay Period
Service Truck Crane Certification	\$ 1,300	\$ 50.00
Telescoping Boom Crane Certification	\$ 2,200	\$ 84.62
WTP Operator Certification (T-5)	\$ 2,700	\$ 103.85

Section 5. Cost of Living Salary Adjustment

Regular Employees will receive a Cost-of-Living salary adjustment on April 1 of each year based on 80% of the net change of the Consumer Price Index for Urban Wage Earners and Clerical Workers United States City Average (CPI-W) for the twelve month period concluding with January index of each preceding year and in accordance with the MOU. The salary increase shall be a minimum of two and one half percent (2.5%) but not to exceed six percent (6%).

For those years in which a salary survey is conducted, a Cost-of-Living adjustment will not occur on April 1 of the first year after the survey is conducted because salary adjustments will be made in accordance with the data and recommendation(s) from the Consultant.

Salary range(s) exceeding 5% will not be eligible to receive Cost-of Living increases until the next Salary Survey is conducted.

Salary range(s) exceeding 2.5% will not be eligible to receive Cost-of-Living increase for ~ 1 year following the salary survey.

Section 6. Salary Survey

A comprehensive salary survey will be conducted by a Consulting Firm every three (3) years in order to maintain equitable pay ranges for the various job classifications. At the discretion of the Board of Directors, the Consulting Firm will be selected to conduct a Salary Survey and the decision of selection will be shared with the employee representatives.

The salary survey will be conducted by the Consulting Firm and will usually be completed by the end of January of each survey year so that the Board at a regularly scheduled meeting no later than March may take action. A list of agencies will be developed for comparison of salaries as applicable. Said agencies, to the extent feasible, will perform activities similar to those of the District. Job descriptions will be used, in said salary survey, to establish the relative relationship of positions within a particular class of positions. An "industry standard" position is generally defined as a job title/job descriptions that is common to a number of agencies performing like functions, and which provides a uniform basis for salary comparison. Job titles such as

Accountant, Clerk, Maintenance Mechanic, Operator, etc., are generally considered to be industry standard positions. Positions that are unique to the District or to a few agencies will be assigned to appropriate industry standard positions for salary administration purposes.

Section 7. Standby Duty Pay

Exempt employees are ineligible for stand-by duty pay. Non-exempt Regular Employees (as designated by your immediate Supervisor) are eligible for stand-by duty pay during off-duty hours, in addition to regular duty. Stand-by duty is pay for which the employee will receive, when the District requires that employee to be available to be called-in to the District for emergency situations or upon designation. The following criteria are used for awarding standby duty and pay:

- 1) Application of standby duty will be as follows:
 - a. Each employee so assigned to standby duty will be able to report to the District office within forty-five (45) minutes.
 - b. Standby duty will be assigned at a minimum of 8-hour blocks on weekdays and 24-hours blocks on weekends and holidays.
- 2) Pay for standby duty will be as follows:
 - a. Standby Duty will be paid at the rate of \$10.00 per hour.

Section 8. Vacation

Annual vacation benefits are accrued by each District employee at the following rates (introductory employees are entitled to accrue vacation, but will not be entitled to take vacation unless the employee has completed their introductory period or has received prior written approval from the General Manager):

<u>Length of Service</u>	<u>Vacation Accrual</u>	<u>Hours Accrued/ Per Pay Period</u>
0 - 1.5 years	10 working days, annually	3.10
1.5 - 7.5 years	15 working days, annually	4.64
7.5 - 15.0 years	20 working days, annually	6.15
15.0 - 25.0 years	25 working days, annually	7.70
25.0 + years	25 working days, annually + 1 working day for each additional year over 25.	

On July 1 of each year, employees will be credited with additional vacation time for unused Sick Leave accrued during the previous twelve (12) month period, as follows:
(This benefit will be prorated if the employee has less than a year of employment.)

<u>Unused Annual Sick Leave</u>	<u>Additional Vacation Credit</u>
10 to 12 days	1 day
7 to 9 days	1/2 day
4 to 6 days	1/4 day
0 to 3 days	0 day

Maximum accrual of vacation benefits by any employee is as follows:

First 10 years of service	30 working days (240 hours)
Eleven or more years of service	45 working days (360 hours)

When an employee is separated from service, their remaining vacation benefits, if any, will be added to their final compensation.

Any employee who will accrue more than the maximum vacation accrual by the end of the fiscal year (03/31) will receive a cash payment in the last pay period of the fiscal year for a maximum of eighty (80) hours of their accumulated vacation balance. To qualify for this sell-back benefit, an employee must have used, either in the preceding or current fiscal year, an equivalent number of vacation days to the number of sell-back days. The General Manager may authorize to grant vacation sell-back days anytime during the year upon request of the employee and approval of the immediate Supervisor.

Section 9. Health Insurance

The District will furnish at District expense Health Insurance Programs for its Regular Employees and dependents of the employee to help provide the employee with protection from major health expense. The qualification of dependents and co-insurance responsibilities of the employee are separate for the various elements of the program. The program currently includes the following elements: Medical, Dental and Vision Insurance.

Section 10. Post-Retirement Health Insurance

All Regular Employees hired before April 1, 2015 and eligible for CalPERS retirement (normally age 55 [but not less than 50] and vested with 5-years of CalPERS contributions) who have worked for the District for at least five years and who retire from the District will be eligible for this post-retirement health insurance benefit. The District will cease to continue post-retirement health benefits to a retiree if the retiree becomes: 1) reinstated as a CalPERS member and eligible for enrollment/enrolled in an Employer Health Insurance Program or 2) employed, eligible for enrollment/enrolled in an employer's health Insurance Program.

A Regular Employee hired before April 1, 2015 will be eligible for medical insurance, to a retiree and one dependent (identified at time of retirement). Surviving dependent (identified at time of retirement) will be entitled to continue to receive Post-Retirement Health Insurance. The District will cease to continue benefits to retiree's surviving spouse "identified at the time of retirement" upon surviving spouses' 1) remarriage or 2) enrollment in another group medical plan. The retiree's surviving spouse agrees to immediately notify the District in the event of 1) remarriage or 2) enrollment in another group medical plan in writing to the District General Manager.

At age 65 coverage will be provided by a combination of the District insurance provider and Medicare insurance. The District will be responsible for the value of such medical coverage only to the extent it is provided to an individual, if the retiree has less than twenty (20) years of service. The difference in cost between this individual plan and the retiree-chosen plan for medical insurance will be the responsibility of the retiree. The District will be responsible for the value of such medical coverage only to the extent it is provided to an individual and 50% the cost of one dependent, if the retiree has more than twenty (20) years and less than thirty (30) years of service. The difference in cost between this coverage and the retiree chosen plan for medical insurance will be the responsibility of the retiree. The District will be responsible for the value of such medical coverage for the retiree and one dependent, if the retiree has more than thirty (30) years of service. The difference in cost between this coverage and the retiree chosen plan for medical insurance will be the responsibility of the retiree.

Section 11. Life Insurance

The District will provide term group life insurance for all its Regular Employees, and will pay for the premium according to the insurance policy applicable to the employee for a benefit amount equal to 1.5 times the annual salary of the employee rounded to the closest One Thousand Dollars (\$1,000.00) with a maximum of \$100,000.00.

Section 12. Employee Assistance Program

The District will provide benefits of an Employee Assistance Program for all its employees. The program provides for six (6) free consultations per person/per incident annually and unlimited 24/7 phone and web access consultations.

Section 13. Retirement

The District will provide “classic members” (as defined by CalPERS law) with retirement benefits by contract with the Public Employees' Retirement System of the State of California (CalPERS) in accordance with the Public Employee's Retirement Law. Such retirement benefits are to be based upon the pension formula of 2% @ 55 with the highest one (1) year final compensation. The District will pay the full costs of membership for “classic members” (hired prior to April 1, 2015) in CalPERS.

Any “classic members” hired after April 1, 2015 will pay at least fifty (50) percent of the normal cost rate (subject to change based on annual actuarial evaluation from CalPERS) for their defined benefit plans, and the District will not pay any of the required employee contribution. Should termination of employment occur, the employee will be entitled to continue or transfer membership according to CalPERS regulations.

The Public Employees' Pension Reform Act of 2013 (PEPRA) went into effect on January 1, 2013 and affects “new members” of CalPERS. PEPRA mandates the equal sharing of normal costs between public employers and “new members”. The law specifically requires that “new members” pay at least fifty (50) percent of the normal cost rate (subject to change based on annual actuarial evaluation from CalPERS) for their defined benefit plans, and that employers not pay any of the required employee contribution. PEPRA requires that the new pension formula be provided to all

new members (2% @ 62 with 3-year final compensation). A “new member” includes an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is not subject to reciprocity with another public retirement system. CalPERS will automatically provide all of the same optional benefit provisions provided to the latest active benefit group effective on December 31, 2012, to all “new members”, except to the extent an optional benefit is not permitted for new members. Should termination of employment occur, the employee will be entitled to continue or transfer membership according to CalPERS regulations.

Section 14. Deferred Compensation Plan

On November 30, 1982 the District’s Board of Directors adopted Resolution No. 82-83-14 implementing a Deferred Compensation Retirement Plan in lieu of Social Security participation. On June 28, 1983 the District’s Board of Directors adopted Resolution No. 83-84-03 that provided supplemental compensation in lieu of Social Security contributions. Regular employees may defer any portion of their gross compensation within the current limits of contributions. Any election to defer compensation will be authorized by the regular employee upon initial hire and/or at the request of the employee anytime thereafter.

Section 15. Shoe Allowance

The District will pay the cost of reinforced toes safety shoes (steel-toe or composite) for maintenance, water supply and operations personnel, and for other personnel requested to perform tasks, which, in the opinion of the General Manager, would require the wearing of safety shoes. Employee shoe allowance will be \$250.00 per year, on an as needed basis determined by the employee’s Supervisor. Allowances in excess of \$250.00 per year will be granted only at the discretion of the General Manager.

Section 16. Certification/Related Courses & Trainings

The District will make accommodations during the employees’ normally scheduled work hours and will pay the costs to provide training, testing, and/or recertification of licenses and/or certificates required by the job description for the classification currently held by the employee.

At the discretion of the Manager and with approval from the General Manager, the District will make accommodations during employees’ normally scheduled work hours and will pay the costs to provide training, testing, and/or recertification of licenses and/or certificates if determined certification is an urgent and necessary benefit to the continuation of District business. Dive training will be paid by District but must be completed during off-duty time.

Voluntary licensure or certification programs must be completed during employees’ off-duty time. Direct costs for repeat attempts to obtain voluntary licensure or certification will not be paid by the District, but may be considered for reimbursement through the tuition reimbursement program.


Section 17. Tuition Reimbursement

The District will reimburse a regular employee for tuition and related fees paid for taking courses of study in an off-duty status if, in the discretion of the General Manager, the subject matter content of the courses is sufficiently closely related to the employee's present or probable future work

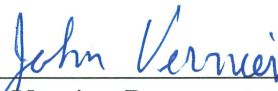
assignments. Limits to the amount of reimbursable expense may be set by the General Manager, but not to exceed \$2,000.00 per year. There must be a reasonable expectation that the employee's work performance or value to the District will be enhanced as a result of the course of study. Courses taken as part of a program of study for a college undergraduate or graduate degree will be evaluated individually for job relatedness under the above-described criteria. To be eligible for reimbursement, the employee must both begin and successfully complete (with a passing grade) the course while employed by the District.

It is so agreed and understood.

Date: June 28, 2022 Stockton East Water District


Justin M. Hopkins,
Interim General Manager
Stockton East Water District

Date: June 28, 2022


John Vernier, Representative for
Stockton East Water District Employees

Date: June 28, 2022


Mike Sutton, Representative for
Stockton East Water District Employees