



MEMORANDUM OF UNDERSTANDING

Between the

RAINBOW MUNICIPAL WATER DISTRICT

and the

RAINBOW EMPLOYEES ASSOCIATION

July 1, 2017 to June 30, 2021



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PREAMBLE

This Agreement made and entered into this 6th day of July, 2017 to be retroactively effective July 1, 2017 and between Rainbow Municipal Water District, hereinafter referred to as the District, and the Rainbow Employee Association, hereinafter referred to as "Association".

RECITALS

WHEREAS, the District has voluntarily endorsed the practices and procedures of collective negotiations as a fair and orderly way of conducting its relations with its employees insofar as such practices and procedures are appropriate to the functions and obligations of the District to retain the right to operate the District effectively in a responsible and efficient manner; and

WHEREAS, it is the intent and purpose of the parties to set forth herein their entire Agreement covering rates of pay; wages, hours of employment, and other conditions of employment; to increase the efficiency and productivity of employees in the District; and to provide for prompt and fair settlement of grievances without an interruption of or other interference with the operation of the District;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties do mutually covenant and agree as follows:

Both parties mutually agree that their objective is for the good and welfare of the District and Association members alike. Both parties further agree that in the interest of collective bargaining and harmonious relations they will at all times abide by the terms and conditions as hereafter set forth and agree upon. The District and Association regard all personnel as public employees who are to be governed by high ideals of honor and integrity in all public and personal conduct so as to merit the trust and confidence of the general public and fellow employees.

ARTICLE 1 Recognition

The District recognizes the Rainbow Employees Association as representative of the representation unit set forth below, if said Association represents a simple majority of the District's non-management, maintenance and operations employees. The District agrees to meet and confer with said Association on all matters relating to the scope of representation pertaining to the employees of said representation unit, as required by the Meyers Milias Brown Act and other laws. The recognized representation unit shall consist of all non-supervisory and non-confidential employees of the District whose positions are non-exempt.

ARTICLE 2 *Implementation*

It is agreed that this Memorandum of Understanding shall not be effective until the District Board of Directors:

1. Acts, by majority vote, formally to approve and adopt said Memorandum of Understanding;
2. Acts to budget the necessary funds required to implement the provisions of the Memorandum of Understanding which require funding;
3. Agrees to work under provisions of existing Memorandum of Understanding until a successor agreement is reached; and
4. Agreement is signed by the designated District Board of Director and Association representative.

ARTICLE 3 *Term*

The term of this Memorandum shall be in effect for four years commencing on July 1, 2017 and shall expire and otherwise be fully terminated at 12:00 midnight on June 30, 2021.

ARTICLE 4 *Renegotiation*

In the event that Association and the District desires to negotiate the provisions of a successor Memorandum of Understanding, said party shall serve upon the other no later than January 15, 2021 its written request to commence negotiations. Upon receipt of such written notice, meet and confer shall begin no later than February 15, 2021 unless written notice is given by either party and agreed to by the other party prior to February 15, 2021 agreeing to an alternate starting date. Target date for completion of negotiations is June 1, 2021.

ARTICLE 5 *Non-Discrimination*

The District and Association mutually agree that there will be no discrimination against any employee in the application of the terms of this Agreement by reason of race, sex, age, physical or mental disability, religion, sexual orientation, gender identity, or any other category protected by applicable federal, state or local law. The District and Association agree that the District is permitted to take all actions necessary to comply with all applicable federal, state and local laws and regulations, including but not limited to the Americans with Disabilities Act, and including all new laws and regulations enacted during the term of this Agreement, regardless of any provisions of this Agreement. The parties recognize and agree fully to protect the rights of all employees covered hereby to join or not join and participate in Association activities.

ARTICLE 6 Compensation

Section 1 WAGES

Pay ranges are established in the Rainbow Municipal Water District Non-Exempt Pay Grades. The resulting pay grade ranges are adopted by a separate action of the Board of Directors.

Effective on the first day of the first pay period that begins after July 1 of each year that this agreement is in effect, the following cost of living adjustments (COLA) will be made:

- Non-Exempt Pay Grade ranges and the base pay of all eligible employees within those ranges shall be increased by an amount equal to the 12-month percentage change in the San Diego Consumer Price Index-Urban (CPI-U), Annual amount as published by the Bureau of Labor Statistics from the previous calendar year, with the following restrictions:
 - The minimum increase shall be no less than 1%.
 - The maximum increase shall be no more than 3%.
 - The Legacy Salary Range Table is considered frozen and will not increase.
 - Employees whose base pay rate falls outside of their position's Non-Exempt Pay Grade will remain in the Legacy Salary Range Table and will not be eligible for COLA increases until the top of Non-Exempt Pay Grade is increased to an amount higher than the employee's base pay rate.

The following example illustrates how the COLA adjustment would be calculated:

- 2015 Annual San Diego CPI-U: 269.436
- 2016 Annual San Diego CPI-U: 274.732
- The 2016 Annual CPI-U is 2% higher than the 2015 Annual CPI-U, so the COLA adjustment effective in July 2017 would be 2%.

Section 2 Merit Increases

Employees whose base pay rate has not reached the top of their position's Non-Exempt Pay Grade shall be eligible for consideration for a merit increase after completing one year of employment and each year thereafter.

Merit awards will be calculated by averaging the merit award percentage that corresponds with the score in each Performance Factor of the Annual Performance Review, per the following matrix:

Exceptional	7%
Above Satisfactory	4%
Satisfactory	1.5%
Needs Improvement	0%
Unsatisfactory	Disqualified

Employees who receive an Unsatisfactory rating in any Performance Factor, or who are on a Performance Improvement Plan, will not be eligible for a merit increase. The following examples illustrate how a merit award is calculated:

EXAMPLE 1

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Increase
Factor 1	X					7%
Factor 2	X					7%
Factor 3		X				4%
Factor 4		X				4%
Factor 5			X			1.5%
Factor 6			NA			NA
OVERALL RATING	Above Satisfactory					4.7%

With the above performance ratings, the average of 7, 7, 4, 4, and 1.5 will be used. The 6th Performance Factor that is N/A will not be used in the calculation.

$7 + 7 + 4 + 4 + 1.5 = 23.5$, $23.5 \div 5 = 4.7\%$ Base Pay Increase

Hourly rate of \$30.00 would be increased to \$31.41 per hour ($30.00 * 1.047$)

EXAMPLE 2

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Increase
Factor 1		X				4%
Factor 2			X			1.5%
Factor 3			X			1.5%
Factor 4			X			1.5%
Factor 5				X		0%
Factor 6			NA			NA
OVERALL RATING	Satisfactory					1.7%

With the above performance ratings, the average of 7, 7, 4, 4, and 1.5 will be used. The 6th Performance Factor that is N/A will not be used in the calculation.

$4 + 1.5 + 1.5 + 1.5 + 2 = 10.5$, $10.5 \div 5 = 1.7\%$ Base Pay Increase
Hourly rate of \$30.00 would be increased to \$30.51 per hour ($30.00 * 1.017$)

New employees may be given a performance evaluation at the completion of four months and eight months as a tool to provide them with feedback on their adjustment to the position as part of the onboarding process. However, there will be no eligibility for a merit increase based on these performance reviews.

If an employee's performance evaluation is fifteen (15) working days or more overdue the employee may petition the General Manager—verbally or in writing—to intervene in ensuring the evaluation is completed in a timely manner. The General Manager will, within fifteen (15) working days, see to it the employee's evaluation is completed and reviewed with the employee.

Section 3 Lump Sum Merit Awards

When an employee's pay rate is at the top of their position's Non-Exempt Pay Grade, the employee will not be eligible for a base pay merit increase. However, the employee may be eligible for a lump sum merit award based on their ratings on the Annual Performance Review.

Lump sum merit awards will be calculated by averaging the merit award percentages that correspond with the score in each Performance Factor of the Annual Performance Review, per the following matrix:

Exceptional	7%
Above Satisfactory	2.5%
Satisfactory	0%
Needs Improvement	0%
Unsatisfactory	Disqualified

Employees who receive an Unsatisfactory rating in any Performance Factor, or who are on a Performance Improvement Plan, will not be eligible for a lump sum merit award.

The following examples illustrate how a merit award is calculated:

EXAMPLE 1

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Award
Factor 1	X					7%
Factor 2	X					7%
Factor 3		X				2.5%
Factor 4		X				2.5%
Factor 5			X			0%
Factor 6			NA			NA
OVERALL RATING	Above Satisfactory					3.8%

With the above performance ratings, the average of 7, 7, 2.5, 2.5, and 0 will be used. The 6th Performance Factor that is N/A will not be used in the calculation.

7 + 7 + 2.5 + 2.5 + 0 = 19, 19 ÷ 5 = 3.8% Lump Sum Merit Award
 Hourly rate of \$30.00 x 2080 hours per year = \$62,400 Annually.
 \$62,400 * .038 = \$2,321.20 Lump Sum Award

EXAMPLE 2

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Award
Factor 1		X				2.5%
Factor 2		X				2.5%
Factor 3			X			0%
Factor 4			X			0%
Factor 5				X		0%
Factor 6			NA			NA
OVERALL RATING	Satisfactory					1%

With the above performance ratings, the average of 2.5, 2.5, 0, 0, and 0 will be used. The 6th Performance Factor that is N/A will not be used in the calculation.

$2.5 + 2.5 + 0 + 0 + 0 = 10$, $10 \div 5 = 1\%$ Lump Sum Merit Award
Hourly rate of \$30.00 x 2080 hours per year = \$62,400 Annually.
 $\$62,400 * .01 = \624.00 Lump Sum Award

Section 4 Overtime

A. Rate

Except as otherwise provided in this Agreement, any employee covered by this Agreement shall be paid at the rate of one and one-half times their regular rate of pay for all hours of work in excess of:

- Nine (9) hours per day Monday through Thursday
- Eight (8) hours per day on Fridays
- Forty (40) hours per work week.

Employees will be paid at a rate of double their regular rate of pay for all hours of work in excess of:

- Twelve (12) hours per day
- In excess of eight (8) hours on Sunday if the employee worked consecutively through the previous Monday through Saturday.

If an employee's overtime work period extends beyond a minimum of eight (8) consecutive hours and the work period extends past the start of the next work shift, the employee will be paid at the overtime rate until they are released to go home.

Overtime worked on holidays will be paid according to the terms in the section titled "Holidays" in this MOU.

B. Scheduling

All overtime hours worked must be approved by a Superintendent or Manager. Superintendents and Managers will make every attempt to release employees as soon as practical.

Overtime shall be distributed as equally as practical among the employees within the divisions of the District, except where emergencies or other existing conditions make equalization impractical or inefficient for the division.

Section 5 Compensatory Time

When any non-exempt employee works overtime, the employee may elect to accrue Compensatory Time Off in lieu of cash payment for the overtime worked. The amount of Compensatory Time Off will be based on the applicable overtime rate (one and one half or double the regular rate of pay as specified in the Overtime Section).

No employee shall be allowed to accumulate over 50 hours of compensatory time. Any time over 50 hours shall not be eligible for accumulation and shall be included as hours paid in the employee's paycheck for the pay period earned.

Compensatory time shall be granted at such times and in such time blocks as are mutually agreed upon between the employee and his/her Superintendent or Manager; permission to utilize compensatory time off shall not be unreasonably denied if operating requirements will not be adversely affected.

All unused compensatory time will be paid out on the last pay date in December of each year. Employees will have the option to cash out Compensatory Time Off on the last pay date in June of each year.

Upon separation from the District employees shall be paid 100% of their accumulated compensatory time balance at their present rate of pay.

Section 6 Call Back

A. Definition

Call back pay work is defined as time required of an employee who, following the completion of the employee's normal work day and departure from the district, is ordered to report back to duty to perform necessary work. If an employee is called and the call back situation can be resolved by telephone without the employee returning to the district, the employee shall record the actual time spent resolving the matter on their time sheet. An employee will be paid for hours worked as specified in the Overtime Section.

B. Minimum Hours for a Call Back

Employees responding to a call back shall record the actual number of hours worked on the call back, with two (2) hours of time being the minimum number of hours recorded on their time sheet for the work performed which includes travel time to a maximum of 30 minutes each way.

Section 7 Standby Duty

PRIMARY STANDBY

To ensure a high level of service to our customers and responsiveness to emergencies outside of regular working hours, a separate Standby Duty program will be implemented and may be updated annually by agreement between the District and Association. The terms of the current Standby Duty program are addressed in an Addendum to this Agreement.

HOLIDAY SECONDARY STANDBY

To ensure response to potential emergency call backs on holidays and holiday weekends, a separate Holiday Secondary Standby program may be implemented and updated annually by agreement between the District and Association. The terms of the current Holiday Secondary Standby program are addressed in an Addendum to this Agreement.

Section 8 Safety Leave

A. Definition

A minimum amount of non-work hours following a non-scheduled or scheduled work shift. Non-scheduled work is when notification to work is provided with less than 24-hour advance notice. Scheduled work is when notification to work is provided with at least 24-hour advance notice.

Excessive fatigue due to prolonged work periods or insufficient rest between work periods can lead to accidents, injuries, and even death. It is in the best interest of both the District and each employee to prevent excessive fatigue on the job. To this end, this policy will outline how extended work periods will be managed at the District.

B. Required Time Off

Safety Leave is non-working hours to allow employees adequate rest after working long overtime shifts. Safety Leave are considered hours worked for purposes of PERS reporting.

1. Eligibility

Safety Leave will be awarded to employees who work extended overtime to ensure that they have an appropriate amount of rest between shifts.

2. Maximum Shift

The maximum length of time any non-exempt employee may work in any given work period is 18 hours. A work period is defined as a 24-hour interval starting at the employee's normal start time on any given day. If you normally start at 6:30 a.m., this period goes until 6:30 a.m. the following day.

3. Continuous Shift

After a continuous shift of 18 hours (excluding meal breaks), the employee must have a mandatory rest period equal to the length of the next day's scheduled shift. For example, an employee who starts at 6:30 a.m., works 18 hours (leaving at 1:00 a.m.) and is scheduled for 9 hours the following day may report back to work no earlier than 10:00 a.m. the following day. The employee will be awarded three and one-half hours of Safety Leave to make up the difference between the normal start time and the mandatory earliest report time (6:30 a.m. to 10:00 a.m.).

4. Safety Leave After Call Back

If an employee is called back to work for an overtime event after concluding a normal shift, the minimum rest period after concluding this overtime shift will be based on the following table:

Length of Overtime Shift	Minimum Rest Period
9 or More Hours	Length of Next Day's Scheduled Shift
7-8 Hours	8 Hours
5-7 Hours	7 Hours
3-5 Hours	5 Hours
Less Than 3 Hours	None

5. Notification of Safety Leave

In the event the employee is given Safety Leave at or before the beginning of their normal shift, the Superintendent on call or person responsible for overseeing the job is responsible to inform the other Superintendents of the employee being granted Safety Leave. Once an employee has been dismissed from the job he or she is not personally required to call in notifying their Manager or Superintendent they are on Safety Leave.

The person running the job site is responsible for notifying the Superintendent or Manager on call when an employee(s) has/have worked 16 hours in a 24-hour period and need(s) to be relieved for Safety Leave within the next two hours. The Superintendent or Manager is responsible for taking appropriate action to ensure that the employee(s) does/do not exceed 18 hours.

6. Reporting Back to Work

The employee may report to work at the adjusted report to work time or can choose to take additional time for rest. Note that in certain circumstances, especially during periods where the employee is needed for urgent work, the Superintendent or Manager may require the employee to return to work at the conclusion of their Safety Leave.

7. Additional Time Off

If the employee voluntarily chooses to extend his or her rest period, the employee may choose to either take no pay or use Paid Time Off (PTO), compensatory time, or Holiday Bank time for this period.

8. Discretionary Rest Period

Any employee reporting to work who appears too fatigued to work safely, regardless of whether they worked overtime or not, is subject to being sent home for rest at the discretion of their Superintendent, Manager, and the General Manager. In the interest of safety of all employees, Superintendents have the responsibility to ensure that each employee is not going to pose a hazard to others due to excessive fatigue. Employees sent home for rest can either choose to either take no pay or use Paid Time Off (PTO), compensatory time, or Holiday Bank time for this period.

9. EOC Activation

In the event of an emergency and activation of the Emergency Operations Center (EOC) is declared by the General Manager, all mandatory maximum work periods and minimum rest periods are subject to the discretion of the General Manager and Department Managers. Work periods and rest periods will be determined on a case-by-case basis as the immediate needs of the District required.

Section 9 Out Of Class Pay

Full Responsibility

An employee specifically assigned in writing to perform the duties of a position at a higher pay grade for 31 or more days shall be compensated for Out of Class Pay at 10% of the employee's current rate of pay.

Intent: Leaves of 31 days or more, military leave, long-term disability.

Lead Responsibility

An employee specifically assigned in writing to perform a portion of the duties of a higher-level position for one full work week or more shall be compensated an additional 5% of the employee's current rate of pay for Lead Responsibility. One employee shall be delegated to cover the entire duration of the higher-level position's leave period.

The immediate supervisor of the employee (Superintendent or Manager) is responsible for completing the Personnel Action Notice and submitting the Personal Action Notice to the Human Resources Manager for processing as soon as the out of class assignment is known.

At the conclusion of such an assignment, the employee shall be restored to the employee's former classification.

ARTICLE 7 *Employee Benefits*

Section 1 *Medical, Dental And Vision Insurance*

MEDICAL INSURANCE:

The District shall offer affordable group medical, dental, and vision insurance plans to all full-time employees. The amount the District contributes towards the cost of the insurance premiums will vary based on which health plan and which coverage tier the employee selects.

Due to the possible volatility of the health insurance market, the District and Association agree that certain circumstances may warrant renegotiating the terms of this Section of this Article before this contract expires. The following circumstances may trigger a renegotiation of this Article:

- If the health plans the District offers become unavailable due to factors outside the District's control.
- If premium costs for an offered plan increase by more than 20% in a single year.
- If the District and Association both desire to seek comparable plans with lower premium costs from other insurance carriers.

If any of these conditions occur, the District will notify Association in writing of the District's intent to renegotiate this Section of this Article no later than August 15 for changes to be effective in the following plan year.

EMPLOYEE ONLY COVERAGE

Beginning with the 2018 plan year that begins January 1, 2018, the District will pay 100% of the premium costs for employee-only coverage, up to the amount of the Anthem HMO employee-only rate. If the employee selects a higher cost plan, then the employee will contribute the difference through payroll deductions.

For example, if the HMO premium for employee-only coverage is \$700 per month, and the employee enrolls in plan with premiums of \$800 per month, then the employee would contribute \$100 per month through two payroll deductions of \$50 each.

DEPENDENT CARE COVERAGE

Dependent Care Coverage on Anthem Plans

Beginning with the 2018 plan year that begins January 1, 2018, the District will pay 82% of the total premium costs for the Employee + 1 or Family coverage tiers, up to a maximum of 82% of the HMO premium rates for those tiers. If the employee selects a higher cost plan, then the employee will contribute the difference through payroll deductions.

The employee will contribute 18% of the total premium costs for the Employee + 1 or Family coverage tiers for the HMO or lower cost plans.

The following example illustrates how dependent care coverage will be calculated for Anthem plans (note these are not actual premium rates, only sample calculations):

Anthem Plan	Monthly Premium	District Contribution (82% up to HMO max)	Employee Contribution (18%)	Payroll Deduction (2x per month)
Classic PPO	\$1,750	\$1,148 (HMO max)	\$602	\$301
CalCare HMO	\$1,400	\$1,148	\$252	\$126
Consumer Driven Health Plan (CDHP)	\$1,300	\$1,066	\$234	\$117

Dependent Care Coverage on Kaiser Permanente Plans

Beginning with the 2018 plan year that begins January 1, 2018, the District will cover 100% of the premium costs for employees and dependents enrolled in the Kaiser Consumer Driven Health Plan (CDHP).

For employees who enroll dependents in the traditional Kaiser HMO plan, the District will contribute up to \$3,000 per year above the annual premium rate for the Kaiser CDHP plan.

The following example illustrates how dependent care coverage will be calculated for Kaiser plans (note these are not actual premium rates, only sample calculations):

Kaiser Plan	Annual Premium	District Annual Contribution	Employee Annual Contribution	Payroll Deduction (2x per month)
HMO	\$13,080	\$12,000	\$1,080	\$45.00
CDHP	\$9,000	\$9,000	None	None

HEALTH SAVINGS ACCOUNTS

Employees who elect to enroll in either the Anthem or Kaiser Consumer Driven Health Plans will be eligible to enroll in tax-exempt Health Savings Accounts. Health Savings Accounts may be used to pay for out of pocket medical expenses including copays, prescriptions, and other qualifying expenses per IRS regulations.

On the first banking day of the calendar year, the District will make deposits into the Health Savings Accounts on behalf of the eligible employees. The amount the District will fund depends on the employee’s plan and coverage tier, as follows:

Plan Selected	Amount Funded into HSA		
	Employee Only	Employee + 1	Family
Anthem CDHP	\$1,500	\$2,600	\$2,600
Kaiser CDHP	\$1,500	\$3,000	\$3,000

Employees may elect to contribute additional funds into their Health Savings Accounts through payroll deductions, up to the IRS annual contribution limits.

DENTAL AND VISION INSURANCE:

The District will cover 100 percent of the premium for employees and dependents.

Section 2 Retirement Health Care Contribution

Employees hired before July 1, 2012 will be eligible for Retirement Medical Contributions if they elect not to participate in the District's 401(a) retirement savings plan. Upon retirement at age 50 or older and with a minimum of ten (10) years of continuous service with the District, the District agrees to reimburse eligible retired employees and their retired spouses for part of the cost of health and dental insurance plans. The District's contribution will be \$363.00 per month for the retired employee or \$726.00 per month for the retired employee and retired spouse until each reach their respective ages for full Medicare coverage. If the retired employee or retired spouse reaches the eligible age, the contribution for the retired employee or retired spouse will be \$363.00 per month until reaching the eligible age. The assistance period for either will be for a maximum of ten (10) years.

Employees hired after July 1, 2012 will not be eligible for Retirement Health Care Contributions.

Section 3 Deferred Compensation Programs

401(a) PLAN

The District agrees to establish a 401(a)-retirement savings account as a means to assist employees in saving for retirement medical or other retirement expenses. The District will fund the 401(a) accounts as follows:

Employees hired after July 1, 2012 will receive a one-time deposit of \$50 for each pay period the employee has worked between their hire date and January 1, 2018.

Employees hired before July 1, 2012 may elect to participate in the 401(a)-matching program instead of the Retirement Health Care Contribution program. No employee may participate in both programs.

The District will match employee contributions to the 401(a) account per the following terms:

0 – 5 years of service:	\$50 per pay period
5-10 years of service:	\$75 per pay period
10-20 years of service:	\$100 per pay period
Over 20 years of service:	\$125 per pay period

Employee contributions to the 401(a) account will be on a post-tax basis, and the employee may contribute additional funds subject to IRS annual limits. The District's matching funds will be tax deferred.

The District's initial deposit and matching funds will be tax deferred, and will become vested per the following vesting schedule:

1 year of service =	20% vested
2 years of service =	40% vested
3 years of service =	60% vested
4 years of service =	80% vested
5 years of service =	100% vested

If an employee leaves the District's employment before the District's contributions to the 401(a) account have become 100% vested, then the unvested funds will be forfeited and returned to the District.

Employee contributions to the 401(a) account will be on a post-tax basis, and the employee may contribute additional funds subject to IRS annual limits.

457(b) PLAN

The District will provide a dollar-for-dollar match of up to \$100.00 per pay period per employee into a 457(b)-retirement savings account. The employee may contribute additional unmatched funds through payroll deductions, subject to IRS rules.

Section 4 Life And Disability Insurance

The District shall pay for employees' life, short and long term disability insurance.

Section 5 Public Employees' Retirement System

The District participates in the California Public Retirement System (CalPERS). All employees hired at the District before January 1, 2013 are under the CalPERS miscellaneous formula of 2.5% @ 55. The final compensation is the highest average pay rate and special compensation during any consecutive one-year period. The employees contribute the 8% of their annual salary.

A full time new employee hired on or after January 1, 2013 will be subject to the Public Employees Pension Reform Act (PEPRA). A new employee who is also a "New Member" to CalPERS will participate under the mandatory miscellaneous formula of 2% @ 62. The final compensation is the highest average pay rate and special compensation during any consecutive three-year period. The employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

Pursuant to the PEPR, a “New Member” is defined as:

1. An individual who is hired on or after January 1, 2013 and has no prior membership in any California public retirement system.
2. An individual who is rehired by a different CalPERS employer on or after January 1, 2013 after a break in service greater than six (6) months.
3. An individual who is brought into CalPERS membership for the first time on or after January 1, 2013 and who is not eligible for reciprocity with another California public retirement system.

If a former CalPERS eligible employee of the District has a break in service of more than six (6) months but returns to service with the same District, the former employee **will not** be considered a new member pursuant to PEPR.

Section 6 Retirement Notice Bonus

To encourage and reward advance notice of an employee’s intent to retire, the District will pay a \$500 Retirement Bonus for employees who give more than six months’ notice of the intended retirement date in writing. For employees who give one full year’s notice in writing, the District will pay a \$1,000 bonus.

The bonus shall be paid on the employee’s last day worked, provided the actual date is within one month of the date given in the Notice of Intent to Retire.

Section 7 Tuition Reimbursement Program

The District will refund tuition fees and educational material costs incurred by regular employees for approved courses of study and completion with a “C” grade or higher. A “pass” will be accepted for classes where a pass/fail grading system is used. The amount of reimbursement will be as follows:

- For employees who have worked 0-3 years, the District will reimburse up to \$2,500.00 per calendar year for attendance at an accredited college or institution, provide the employee is pursuing a course of study leading to attainment of a degree or accreditation, or providing the course of study is pertinent to the employee’s employment with the District.
- For employees who have worked three years or more the District will reimburse employees up to \$5,250.00 per calendar year for attendance at an accredited college or institution, providing the employee is pursuing a course of study leading to attainment of a degree or accreditation, or providing the course of study is pertinent to the employee’s employment with the District.

For the purpose of determining eligibility, the end date of the class will be the date used to calculate the employee’s length of service and in which calendar year the reimbursement will be applied.

Employees are required to submit applications to their immediate Superintendent or Manager and get approval from their Superintendent or Manager before starting courses for which educational assistance is requested.

Requests for reimbursement must be submitted within 30 days after completion of the course. If an employee leaves District employment before completion of the approved course, the District will not reimburse the employee for the course.

No assistance will be made until after the completion of the course and no assistance will be made if the employee utilizes other sources (i.e. GI Bill) to pay for the course or portions of the course.

Section 8 Dependent Care Flex Accounts

By January 1, 2018, the District shall establish a qualified Flexible Spending Account (FSA) for Dependent Care expenses in accordance with IRS regulations. The FSA is an employee funded pre-tax benefit account used to pay for dependent care services, such as preschool, summer day camp, before or after school programs, and child or elder daycare.

ARTICLE 8 Paid Time Off

Section 1 Accrual Rate

Paid Time Off shall be granted to each employee and shall be accrued as follows:

Length of Service	Accrual Rate Per Pay Period	Annual Accrual Equivalent	Maximum Accrual
Up to 4 years	7.69 hours	200 hours	400 hours
4 – up to 9 years	9.23 hours	240 hours	480 hours
9 years and above	10.77 hours	280 hours	560 hours

Employees may accumulate Paid Time Off up to a maximum of two times the employee's annual entitlement. Upon reaching the maximum accrual, PTO hours will no longer accrue until the employee uses PTO hours to bring their balance under the maximum.

If a PTO request has been previously approved by the District, and through no fault of the employee the leave request is cancelled by the District and an employee reaches the maximum accrual, then the District will compensate the employee for additional hours accumulated beyond the maximum accrual until the requested leave can be granted.

All new employees will accrue PTO beginning the first day of employment; however, these hours will not be eligible for use until after the completion of 90 days of full-time employment. General Manager shall have discretion to grant earlier use of accrued PTO for medical emergency, bereavement, or other emergency situation on a case-by-case basis.

Section 2 Paid Time Off Buy Back

Employees may cash out accrued paid time off (PTO) of a minimum of 40 hours once per year with the following stipulations:

- An IRREVOCABLE request must be completed and submitted during the month of December for cashing out PTO on the last pay period of the following January of the following calendar year.
- The irrevocable request may not exceed 280 hours.
- Employee must have taken at least 80 hours cumulative Paid Time Off (PTO) between December 1st of the previous year and November 30th of the current year.
- Employee must maintain a minimum balance of 80 hours of accrued PTO.
- A request to cash out accrued PTO due to reasons of hardship may be made at any time. The hardship request must be approved by the General Manager and is subject to the unforeseeable emergency definitions of the internal revenue code. (Title 26, section 1.409a-3).

In the event the IRS changes their regulations pertaining to this policy, the District will meet and confer with the bargaining unit to determine how to manage the impact of the regulatory changes.

Section 3 Separation From District Employment

Upon separation from the District 100% of the employee's accumulated paid time off will be paid at their present rate of pay.

ARTICLE 9 Other Leaves

Section 1 Holidays

The District will provide the following paid holidays. Compensation for paid holidays will be for the entire length of the regular scheduled shift.

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

If a holiday falls on an employee's regularly scheduled Friday off, then 8 hours of Holiday Bank will be credited to the employee for that day at the beginning of the fiscal year (July 1) to be available for use before the end of the fiscal year (June 30). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

If an employee works overtime on a holiday, double time will be paid on the actual date of the holiday, and one and one half times the regular rate of pay will be paid on the date the holiday is observed. Overtime worked on Easter Sunday will be paid at double time.

MEMORANDUM OF UNDERSTANDING BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND
RAINBOW EMPLOYEES ASSOCIATION - July 1, 2017 – June 30, 2021

All paid holidays for each year of this contract are as follows:

REMAINDER OF FISCAL YEAR 2017			
Holiday	Official Date	Day Observed	Holiday Pay
Independence Day	Tuesday, July 4	Tuesday, July 4	9 Hours
Labor Day	Monday, Sept. 4	Monday, Sept. 4	9 Hours
Veterans Day	Saturday, Nov. 11	Friday, Nov. 10	8 Hours
Thanksgiving Day	Thursday, Nov. 23	Thursday, Nov. 23	9 Hours
Day After Thanksgiving	Friday, Nov. 24	Friday, Nov. 24	8 Hours
Christmas Eve	Sunday, Dec. 24	Monday, Dec. 25	9 Hours
Christmas Day	Monday, Dec. 25	Tuesday, Dec. 26	9 Hours

2018			
Holiday	Official Date	Day Observed	Holiday Pay
New Year's Eve	Sunday, Dec. 31	Monday, Jan. 1	9 Hours
New Year's Day	Monday, Jan. 1	Tuesday, Jan. 2	9 Hours
Presidents Day	Monday, Feb. 19	Monday, Feb. 19	9 Hours
Cesar Chavez Day	Saturday, Mar. 31	Friday, Mar. 30	8 Hours
Memorial Day	Monday, May 28	Monday, May 28	9 Hours
Independence Day	Wednesday, July 4	Wednesday, July 4	9 Hours
Labor Day	Monday, Sept. 3	Monday, Sept. 3	9 Hours
Veterans Day	Sunday, Nov. 11	Monday, Nov. 12	9 Hours
Thanksgiving Day	Thursday, Nov. 22	Thursday, Nov. 22	9 Hours
Day After Thanksgiving	Friday, Nov. 23	Friday, Nov. 23	8 Hours
Christmas Eve	Monday, Dec. 24	Monday, Dec. 24	9 Hours
Christmas Day	Tuesday, Dec. 25	Tuesday, Dec. 25	9 Hours
New Year's Eve	Monday, Dec. 31	Monday, Dec. 31	9 Hours

MEMORANDUM OF UNDERSTANDING BETWEEN RAINBOW MUNICIPAL WATER DISTRICT AND
RAINBOW EMPLOYEES ASSOCIATION - July 1, 2017 – June 30, 2021

2019			
Holiday	Official Date	Day Observed	Holiday Pay
New Year's Day	Tuesday, Jan 1	Tuesday, Jan. 1	9 Hours
Presidents Day	Monday, Feb. 18	Monday, Feb. 18	9 Hours
Cesar Chavez Day	Sunday, Mar. 31	Monday, April 1 st	9 Hours
Memorial Day	Monday, May 27	Monday, May 27	9 Hours
Independence Day	Thursday, July 4	Thursday, July 4	9 Hours
Labor Day	Monday, Sept. 2	Monday, Sept. 2	9 Hours
Veterans Day	Monday, Nov. 11	Monday, Nov. 11	9 Hours
Thanksgiving Day	Thursday, Nov. 28	Thursday, Nov. 28	9 Hours
Day After Thanksgiving	Friday, Nov. 29	Friday, Nov. 29	8 Hours
Christmas Eve	Tuesday, Dec. 24	Tuesday, Dec. 24	9 Hours
Christmas Day	Wednesday, Dec. 25	Wednesday, Dec. 25	9 Hours
New Year's Eve	Tuesday, Dec. 31	Tuesday, Dec. 31	9 Hours

2020			
Holiday	Official Date	Day Observed	Holiday Pay
New Year's Day	Wednesday, Jan. 1	Wednesday, Jan. 1	9 Hours
Presidents Day	Monday, Feb. 17	Monday, Feb. 17	9 Hours
Cesar Chavez Day	Tuesday, Mar. 31	Tuesday, Mar. 31	9 Hours
Memorial Day	Monday, May 25	Monday, May 25	9 Hours
Independence Day	Saturday, July 4	Friday, July 3	8 Hours
Labor Day	Monday, Sept. 7	Monday, Sept. 7	9 Hours
Veterans Day	Wednesday, Nov. 11	Wednesday, Nov. 11	9 Hours
Thanksgiving Day	Thursday, Nov. 26	Thursday, Nov. 26	9 Hours
Day After Thanksgiving	Friday, Nov. 27	Friday, Nov. 27	8 Hours
Christmas Eve	Thursday, Dec. 24	Thursday, Dec. 24	9 Hours
Christmas Day	Friday, Dec. 25	Friday, Dec. 25	8 Hours
New Year's Eve	Thursday, Dec. 31	Thursday, Dec. 31	9 Hours

BEGINNING OF FISCAL YEAR 2021			
Holiday	Official Date	Day Observed	Holiday Pay
New Year's Day	Friday, Jan. 1	Friday, Jan. 1	8 Hours
Presidents Day	Monday, Feb. 15	Monday, Feb. 15	9 Hours
Cesar Chavez Day	Wednesday, Mar. 31	Wednesday, Mar. 31	9 Hours
Memorial Day	Monday, May 31	Monday, May 31	9 Hours

Section 2 Civic Duty Pay

RMWD recognizes and supports its employees' participation in civic activities such as jury duty, appearing in court as a witness, and serving as a reservist in the United States military.

When an employee is under orders to report for jury duty, to act as a witness, or for military reservist training, the District will pay for up to ten working days of Civic Duty Pay per calendar year except as otherwise required by law. Compensation will be at the employee's regular wage rate, less any fees received from the court or compensation from the military for their service during those two weeks. In no event shall double pay to the employee result from civic duty. Civic duty service falling on a District holiday or employee's regularly scheduled day off is not payable as Civic Duty Pay. The District will not compensate the employee for mileage or meal expenses unless the employee is testifying on a District-related matter.

If an employee is serving as a juror for an extended period, and has exhausted Civic Duty Pay, the employee will be required to use other forms of paid leave, such as PTO, Compensatory Time, or Holiday Bank. However, if the employee has already used 40 hours of PTO time for the jury service and continuing to use PTO would cause the employee's PTO balance to fall below 80 hours, the District will resume paying Civic Duty Pay. Each employee will be eligible for this extended Civic Duty Pay no more than one time for the term of this agreement.

The employee must present the notification to appear for Jury Duty or military duty to his/her Supervisor as soon as it is received. If a deferment is deemed necessary after consulting with the employee's supervisor, the employee should then request a letter be sent to the Jury Commissioner stating the reason(s) for deferment.

During the period of Civic Duty Leave, employees are expected to report either to their assigned work at the District or to the court or military during working hours. It is the responsibility of the employees on Civic Duty Leave to advise their immediate supervisors of their jury duty schedule, which includes starting and ending on a daily basis.

Employees are not eligible for Civic Duty Leave when the employee is a party to the litigation or an expert witness. Employees should see Human Resources if they have questions about the Civic Duty Leave policy.

Section 3 Flex Hours

The purpose of flex hours is to allow employees flexibility in managing their work life balance by offering the employees the opportunity to temporarily change their work schedule with prior approval to take care of personal business without requiring the use of paid time off, compensatory time, or holiday bank time.

If an employee needs to be away from the district for a portion of a regular work day not to exceed 3 hours and they wish to make up the time in the same work week, they must coordinate with their immediate Superintendent or Manager to make arrangements for the use of flex hours at an approved time during the same work week. Use of flex hours will be approved or denied based on operational needs. Any make-up flex hours in excess of the normal work shift will be paid at straight time.

Section 4 Workers' Comp Follow-Up Medical Visits

Any employee who requires medical care for a job-related injury or illness shall receive regular pay while obtaining medical care on the day the injury or illness is first reported.

However, any follow-up and/or additional treatment appointments should be scheduled around the employee's regular work schedule whenever possible. Employees will be required to use PTO or any other leave time on accrual. If no leave time is available, the time from work will be unpaid.

ARTICLE 10 Uniforms

In the interest of presenting a professional image to the public, and to allow members of the public to easily identify District employees, the District will establish a Uniform program for certain positions. The details of the Uniform program will be outlined in an Addendum to this agreement and may be updated annually by mutual agreement of the District and Association.

Safety Shoes

Employees whose jobs may require exposure to work in the field requiring ANSI approved safety footwear are eligible for reimbursement not to exceed \$200.00 per fiscal year. The safety footwear allowance covers footwear that meet the approved ANSI standards for the steel/composite toe protection and may also include comfort inserts. If an eligible employee needs replacement safety footwear before the fiscal year ends, due to heavy wear and tear, with approval from the Human Resources Manager or designee, they can be reimbursed for the replacement to ensure they are protected. Employees must submit a receipt of purchase and proof of ANSI compliance to be eligible for reimbursement.

ARTICLE 11 *Me-Too Clause*

During the term of this MOU, if the District provides any other bargaining units a Cost of Living Adjustment (COLA) greater than that which is provided in this Agreement, then the District shall adjust the COLA contained in this Agreement so that it is equal to the COLA increase granted to employees in the other bargaining units. Such adjustments shall be effective at the time the salary adjustment is granted to the employees in the other bargaining units.

In addition, if any bargaining units' Medical and Dental Insurance provisions are greater than the provisions in this agreement, the District shall adjust the Medical and Dental Insurance provisions contained in this Agreement so that they are equal to the Medical and Dental Insurance provisions contained in the other bargaining units' agreements.

ARTICLE 12 *District Representatives Of Employees And Management*

The District shall establish a committee of District Representatives of Employees and Management (referred to as the DREAM team). The DREAM team shall include two representatives from each bargaining unit, the Human Resources Manager, and one other member of the management staff. The purpose of the DREAM team will be to:

- Annually review and possibly negotiate changes to the Addendums to the MOUs in accordance with the terms in the related Article(s).
- Mutually Meet and Confer in Good Faith to endeavor to reach agreement on any matters within the scope of representation that may arise during the term of this MOU.
- The DREAM team will meet during regular work hours with no loss of compensation for any participants.

ARTICLE 13 *Grievance Procedure*

Association and the District wish to work together to make every reasonable effort to resolve grievances, as defined in this grievance procedure, as near as possible to the point of origin.

Section 1 *Definitions*

1. **Grievance.** A grievance is an alleged violation, misinterpretation or misapplication of a specific provision of the Memorandum of Understanding ("MOU") or any other District policy which affects the employee's wages, hours, or other terms and conditions of employment. However, grievable matters specifically do not include disciplinary matters which are governed by other written procedures.

2. **Grievant.** A grievant is any employee of the bargaining unit or the bargaining unit who alleges he/she/they is/are personally adversely affected by an alleged violation, misinterpretation or misapplication of a specific provision of the MOU or any other District policy which affects the employee's wages, hours, or other terms and conditions of employment. However, grievable matters specifically do not include disciplinary matters which are governed by other written procedures.
3. **Business Day.** A business day is any day on which the District is open for business.
4. **Immediate Supervisor.** The immediate supervisor is the lowest level administrator who has been designated to adjust grievances and who has immediate jurisdiction over the grievant. Any questions as to whom constitutes the grievant's immediate supervisor should be addressed to the Human Resources Manager.

Section 2 Informal Process

A grievant shall orally notify his/her immediate supervisor or the Human Resources Manager, as defined in Article 13, Section 1 of this policy, that he/she has a grievance and of the general nature of the grievance, within seven (7) business days of the event resulting in the grievance.

Within seven (7) business days of the oral notification, the person notified shall meet with the grievant and orally discuss the grievance in detail. It is the intent of this Informal Resolution process that at least one personal conference where the grievance is orally discussed in detail be held between the grievant and the person notified. Failure to do so will render the grievance null and void and the grievant will not be entitled to proceed to the next level of the grievance procedure.

Within seven (7) business days of the conclusion of the Informal Process, the party notified shall prepare a memorandum documenting the results of the Informal Process, and shall send the memorandum to both the grievant and the Human Resources Manager.

Section 3 Steps of the Formal Process

If the grievance is not settled to the grievant's satisfaction during the Informal Process and the grievant wishes to pursue the grievance, the grievant shall present his/her grievance in writing pursuant to the steps and timelines specified below. The grievance shall be typed or legibly hand-written and include the following information:

- a. A statement of the specific provision of the applicable MOU or other written District policy which affects the employee's wage, hours, or other terms and conditions of employment that was allegedly violated, misinterpreted, or misapplied;
- b. A full statement of the facts and events involved in the matter, including the date or dates on which the violation, misinterpretation or misapplication allegedly occurred;

- c. The documents, witnesses, or other evidence that support the grievance;
- d. An explanation of how the employee is/was adversely affected by a specific act or omission which gave rise to the alleged violation, misinterpretation, or misapplication;
- e. A statement of the corrective action requested and the reason the corrective action is appropriate;
- f. The grievant's signature and the date the grievance was submitted; and
- g. The date the informal grievance was initially presented and to whom it was presented under the Informal Process.

No grievance will be accepted for processing unless all of the information listed above is provided by the grievant.

Step 1- Department Manager or Human Resources Manager

The grievant must present the written grievance to the Department Manager or the Human Resources Manager within seven (7) business days after the date the memorandum documenting the results of the Informal Process is provided to the grievant.

Within seven (7) business days after the grievant presents his/her written grievance, the Department Manager or Human Resources Manager may, in his/her discretion, schedule a meeting with the grievant for the parties to work at resolving the grievance.

The Department Manager will provide a written response to the grievant within seven (7) business days after receipt of the written grievance or within seven (7) business days after any scheduled meeting or meetings that is/are held, whichever occurs later.

Step 2 - Appeal to the General Manager

If the grievance is not settled to the grievant's satisfaction at Step 1 and the grievant wishes to pursue the grievance, the grievant must present the written grievance to the General Manager within seven (7) business days after the date of the written response to the grievant at Step 1.

Within seven (7) business days after the grievant presents his/her written grievance, the General Manager may, at his/her discretion, schedule a meeting with the grievant to discuss the matter. After consideration of the facts and an investigation, the General Manager will provide a written decision to the grievant.

The General Manager's decision will be limited as follows:

- 1. The decision shall neither add to, detract from, nor modify the language of the applicable MOU.
- 2. The decision shall be confined to the precise issue(s) the grievance raised and that the grievant submitted.

3. Any monetary award in favor of the grievant may not exceed wages or benefits that the grievant has lost as a result of the matters alleged in the grievance. In no event shall any grievance award include any other types of damages or attorneys' fees.

The General Manager may delegate non-involved managers or non-District employees to act on the District's behalf at any level of the grievance process. The findings and recommendations any such individual renders shall be advisory to the General Manager, who may accept, reject, or modify that individual's recommendation, and who shall issue a determination within seven (7) business days.

Step 3: Appeal to Board of Directors

If the grievance is not settled in Step 2 and the grievant desires to appeal, he or she shall submit his or her appeal in writing to the Board of Directors within seven (7) business days after the General Manager has given his/her decision. A hearing before the Board of Directors with the grievant's representative present if desired by the grievant shall be held at the next regular Board meeting.

The Board of Directors shall give their decision on the grievance in writing to the employee and the General Manager within fourteen (14) business days following the meeting. The Board of Directors' decision shall be final and binding.

Section 4 Additional Rules Applicable to The Grievance Procedure

1. **Representation.** Either the District or the grievant may be represented at any step of the grievance procedure by an individual of the party's choice.
2. **Withdrawal.** A grievant may withdraw any grievance at any time, by giving written notice to the District representative who last took action on the grievance, and by providing a copy of the notice to the Human Resources Manager.
3. **Resolution.** If the grievant does not present the grievance to the next level within the time limits for each step, the grievance shall be considered resolved on the basis of the response at the last level.
4. **Waiver.** The grievance is deemed waived by grievant for all purposes if grievant does not process the grievance within the time frames set forth in this grievance procedure.
5. **Deemed Denied.** If the District does not respond to a grievance within the time frames set forth for each step, the grievant may elect to treat the grievance as denied at that step and immediately appeal the grievance to the next step.

6. **Written Agreement to Extend Time.** In the event of extenuating circumstances, the parties may mutually agree in writing to extend time at each step. The time extension will only be effective for the amount of the time extension agreed to in writing and for the step that it applies to as agreed in writing.
7. **Grievance Meetings.** Grievance meetings will be held during regularly scheduled work hours of the grievant and the individual to whom the grievance is presented, unless otherwise mutually agreed.

Section 5 Retaliation

No party to a grievance shall be subject to retaliation for utilizing the grievance procedure in good faith.

ARTICLE 14 Discipline Procedure

California Water Code Section 71362 states that District employees serve at the pleasure of the General Manager. However, in prior Memorandums of Understanding (“MOU”), the Board of Directors provided for appeals of disciplinary actions in the MOU agreements. So, separate discipline procedures are provided for employees hired before and after July 1, 2017.

- Employees Hired Before July 1, 2017

Disciplinary procedures for employees hired before July 1, 2017, are set forth in the Supplemental Memorandum of Understanding dated July 1, 2017.

- Employees Hired After July 1, 2017

Disciplinary procedures and terminations pertaining to employees hired after July 1, 2017, are set forth in the Employee Handbook.

ARTICLE 15 Severance

Employees hired after July 1, 2017 shall be entitled to severance pay if employment is terminated by the District after one year of service has been completed. The amount of severance eligibility increases with years of service, as follows:

<u>Length of Service</u>	<u>Severance Benefit</u>
1 – 3 years	2 weeks’ pay with 1 month of COBRA benefits
4 – 5 years	4 weeks’ pay with 1 month of COBRA benefits
6 – 10 years	6 weeks’ pay with 2 months of COBRA benefits
11 years or more	8 weeks’ pay with 2 months of COBRA benefits

One week's pay shall be considered 40 hours at the employee's current base hourly rate, not including any overtime. The employee's right to receive the severance pay set forth above is conditioned upon the employee executing a release of claims against the District. However, no employee is entitled to any of the severance benefits provided in this Article if the employee's termination is due to egregious conduct including, but not limited to, assault, battery, harassment, reporting to work under the influence of drugs or alcohol, theft, embezzlement, or other illegal activity.

ARTICLE 16 *Modifications, Waiver*

No agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto and, if required, approved and implemented by the District's Board of Directors. The waiver of any breach, term or condition of the Memorandum of Understanding by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 17 *Provisions of Law*

This Memorandum of Understanding is subject to all current and future applicable federal, state and local laws. If any part or provision of the Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of federal, state or local laws or regulations, or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such applicable law or regulations, and the remainder of the Memorandum of Understanding shall not be affected thereby.

ARTICLE 18 *District Rights*

It is understood and agreed that the District possesses the sole right and authority to operate and direct the employees of the District and its various departments in all aspects, including, but not limited to, all rights and authority exercised by the District prior to the execution of this Agreement. These rights include, but are not limited to:

1. The right to determine its mission, policies, and to set forth all standards of service offered to the public;
2. To plan, direct, control and determine the operations or services to be conducted by employees of the District;
3. To determine the methods, means, number of personnel needed to carry out the District's mission;
4. To direct the working forces;
5. To hire and assign or to transfer employees within the departments;
6. To promote, suspend, discipline or discharge;

7. To lay off or to relieve employees due to lack of work or funds or for other legitimate reasons;
8. To make, publish and enforce rules and regulations;
9. To introduce new or improved methods, equipment or facilities;
10. To take any and all actions as may be necessary to carry out the mission of the District in situations of civil emergency as may be declared by the President of the Board of Directors or the General Manager; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this Agreement.

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

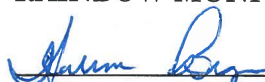
ARTICLE 19 Entire Agreement

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining. The parties met and conferred regarding disciplinary procedures, and that the understanding and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. With respect to disciplinary procedures, this Agreement references and incorporates by that reference the Supplemental Memorandum of Understanding dated July 1, 2017, pertaining disciplinary procedures for employees hired before July 1, 2017.

Therefore, the District and Association, for the duration of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to, or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement. However, with the creation of the DREAM team, the parties will annually review and possibly negotiate in good faith changes to this Agreement which may only be amended during its term by the parties' mutual agreement in writing.

Approved by the Board of Directors of the Rainbow Municipal Water District on July 6, 2017.

RAINBOW MUNICIPAL WATER DISTRICT



Helene Brazier, Board President

July 6, 2017
Date

RAINBOW EMPLOYEES ASSOCIATION



Stephen Coffey, President

July 6, 2017
Date

ADDENDUM A

STANDBY PAY

PRIMARY STANDBY DUTY PAY

a. Standby Duty Pay

When an employee is assigned to Standby Duty, a weekly stipend of \$250 will be paid. The stipend pay is consideration for performing daily Standby Duties of an incidental nature and increment of time (“Incidental time”).

Incidental time includes, but is not limited to short phone calls, and reading or responding to email or text messages or filling out required paperwork that take five (5) minutes or less of the employee’s time. Incidental time included in the stipend is not eligible for additional pay unless the cumulative incidental time for the workweek collectively exceeds one hour. However, incidental time which exceeds one hour in a workweek will be compensated.

b. Holiday Pay

Employees on Standby Duty who work overtime on a District recognized holiday or Easter Sunday will be paid according to the holiday pay provisions in Article 8, Section 5-A, Overtime Rate.

c. Pay for Time Worked Outside of Regular Hours

Employees will be paid for the actual time worked outside of the employee’s regular hours when responding to an alarm or call at the applicable rate of pay. Employees on Standby Duty will not be compensated if the employee does not perform any work.

d. Water Operations Standby Duty

For employees assigned to Water Operations Standby Duty, approved time allowed to perform the routine daily Standby Duty tasks after the System Operator’s regular working hours associated with monitoring the system and perform daily flow changes will be as follows:

- Up to 1 hour per day on regular work days, paid at the applicable rate of pay.
- Up to an additional 1 hour per day on Fridays off and weekends at the applicable rate of pay.

When the Operator cannot resolve an issue remotely and has to drive in to perform work, he/she will be compensated for roundtrip travel time to and from the site location to resolve the issue. The Operator will not be compensated for non-business related travel time at any time.

While on a call-out, if the Operator receives the second call-out, the Operator will be paid for actual time spent traveling to the second call, resolving that call-out and for the travel time to his/her residence. Time for the previous call-out will end when the Operator starts response to the second call-out.

When alarms or calls occur between 11:00 PM and 5:00 AM, the Systems Operator will be paid for a minimum of 30 minutes to respond.

HOLIDAY SECONDARY STANDBY

In order to ensure response to potential emergency call backs on holidays and holiday weekends, a Superintendent may request an employee or employees to be available for Holiday Secondary Standby, subject to approval by the General Manager.

The employee(s) will receive two (2) hours pay at overtime rates (per Section 5 Overtime, Item "A" Rate) for the evening of the work day prior to the holiday or holiday weekend and for each non-work day during the holiday and/or holiday weekend. If the employee(s) is called out to work, they will receive additional pay for hours worked in accordance with the current overtime rate.

Intent:

Holiday weekend where holiday falls on Monday: Two (2) hours standby pay each day Friday through Monday = a total of 8 hours.

Thanksgiving holiday weekend: Two (2) hours standby pay each day Wednesday through Sunday = a total of 10 hours.

If a holiday falls on Tuesday: Two (2) hours standby pay Monday and Tuesday = a total of 4 hours.

If holiday falls on Wednesday and Thursday: Two (2) hours standby pay Tuesday, Wednesday and Thursday = a total of 6 hours.

ADDENDUM B

UNIFORMS

The District shall provide up to eleven (11) uniform (shirts and pants) changes biweekly to employees who are required to wear uniforms and where customer recognition as a District employee is required. The District shall reserve the right to select the style and color of the work clothing. Employees wishing more than eleven changes of uniform shirts or pants biweekly may obtain additional changes from the District's supplier at the employee's expense. The District shall provide one (1) jacket every other year to field employees.