

# Memorandum of Understanding

Between

Soquel Creek Water District

and

Management Employee Group



August 1, 2022 – July 31, 2024

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**SOQUEL CREEK WATER DISTRICT  
MOU BETWEEN  
MANAGEMENT EMPLOYEES BARGAINING GROUP  
AND THE SOQUEL CREEK WATER DISTRICT  
August 1, 2022 – July 31, 2024**

**ARTICLE 1  
Preamble**

Pursuant to California law the Soquel Creek Water District, hereafter referred to as District, acting through its negotiator, and representatives of the Management Employees Bargaining Group, hereafter referred to as Employees, have met and conferred in good faith and have fully communicated and exchanged information concerning wages, hours, and other terms and conditions of employment for the term commencing August 1, 2022, and terminating July 31, 2024. It is the intent of the parties to set forth herein their entire agreement covering rates of pay, wages, working hours, benefits, and other conditions of employment.

Except as otherwise expressly provided herein, all terms and conditions of the agreement shall apply to all employees represented by the Management Employees Bargaining Group.

**ARTICLE 2  
Work Rules**

2.1 Acting General Manager

In the General Manger's absence, a management employee may be appointed as Acting General Manager and receive 5% above their regular salary during this assignment.

2.2 Layoff

The District Board may eliminate any position in the classified service as identified by classification due to lack of funds, work, or need. Whenever, in the judgment of the District Board, it becomes necessary to eliminate any position of employment, the employee may be laid off, bumped to another position, or be reassigned according to the procedures outlined in Appendix A.

2.3 Severance Benefits

A permanent employee separated from District service as a result of Article 2.2 shall have his/her insurance benefits paid by the District at the same level as while employed for a period of ninety (90) calendar days from the date of separation. At the end of the ninety-day period, post employment insurance continuation will be administered in accordance with COBRA regulations.

2.4 Work Schedule

The District work schedule is normally Monday through Friday, 8 hours per day, for a total work week of 40 hours. Management employees generally work from 8:00 a.m. to 5:00 p.m. with one hour for lunch. However, regularly scheduled work hours may vary, upon approval of the General Manager, and staggered schedules may be used in order to provide sufficient coverage. Management employees regularly attend meetings outside of the established work schedule, including Board Meetings.

Management employees are considered "exempt" under the Fair Labor Standards Act and are not entitled to overtime compensation.

2.5 Anniversary Date

Anniversary date shall be the employee's date of hire, unless otherwise specified.

**ARTICLE 3**  
**Salary and Pay Practices**

3.1 **Salary and Pay Practices**

The salary ranges are set by the Board of Directors. All salary ranges for the Management Unit have nine steps with 5% between the first seven steps, and 3.5% between the seventh and the eighth step and 2% between the eighth and the ninth step. Employees will be placed on, or progress to the ninth step in accordance with the procedures set forth in this section.

Entry level is typically the first step. Upon completion of six months, the employee may progress to the next higher step in the range. Based upon satisfactory progress as documented in a written evaluation, an employee will receive the next step after eighteen months in paid status from date of hire and an additional step after each full year on paid status thereafter through the ninth step.

3.2 **Salary**

Effective the first pay period in January in the years 2023 and 2024 salaries shall be increased by the amount of the "San Francisco/Oakland/San Jose All Urban Consumers" Consumer Price Index from October to October, with a minimum of 0% and a maximum of 5%.

3.3 **Use of Privately Owned Vehicle for District Business**

If an employee is required to use his/her own vehicle for District business, the employee will be reimbursed for mileage at the current IRS accepted rate. The employee will be subject to District rules contained in Appendix B of this agreement.

**ARTICLE 4**  
**Employee Benefits**

4.1 **Holidays**

District employees receive twelve paid holidays throughout the year, as follows:

New Year's Day - January 1  
Martin Luther King's Birthday - third Monday in January  
Presidents' Day - third Monday in February  
Memorial Day - last Monday in May  
Juneteenth - June 19  
Independence Day - July 4  
Labor Day - first Monday in September  
Veterans' Day - November 11  
Thanksgiving Day - fourth Thursday in November  
Day after Thanksgiving Day  
Christmas Eve - December 24  
Christmas Day - December 25

When a holiday falls on a Sunday, the following Monday is observed as the holiday. When the holiday falls on a Saturday, the preceding Friday is observed as the holiday. If a holiday is observed while an employee is on authorized vacation or sick leave, the day will not be charged against that employee's accumulated leave time.

To qualify for holiday compensation, the employee is required to work or be on a paid status such as sick leave or vacation leave on his/her last scheduled workday prior to the holiday and his/her first scheduled workday following a holiday.

4.2 Floating Holidays

In addition to the above fixed holidays, employees shall be granted sixteen (16) hours of floating holiday on July 1 of each year. Floating holidays will be added to each employee's vacation accrual. When an employee terminates, the employee will not be paid for floating holidays not previously taken. New employees shall be granted floating holidays on a fiscal year prorated basis based on their hire date.

The first 16 hours of vacation taken each fiscal year will be considered the floating holidays and scheduling will be the same as for vacation. Employees must use all floating holidays within the fiscal year that they are earned.

4.3 Vacations

Employees covered by this agreement are eligible for paid vacations. All vacation and other leave time is accrued on a bi-weekly basis.

If possible, employees will be allowed to use vacation at the time of their choice; however, the service needs of the District must come first. Seniority, date of request and special individual circumstances will all be considered should scheduling conflicts occur. In the event of a conflict, the decision of the General Manager shall be final.

Annual vacation entitlement shall be as follows:

<u>Years of Service</u>	<u>Vacation Earned</u>
1 through 3	12 days
4 through 5	14 days
6 through 8	17 days
9 through 10	19 days
11 through 13	22 days
14 through 16	23 days
17 through 19	24 days
20 and over	25 days

Paid vacation is granted for the purposes of rest and relaxation, and all employees are encouraged to take at least one half of their vacation entitlement in the year that it is earned.

An employee may accrue no more than twice the annual entitlement plus 40 hours of vacation as of June 30, unless specific written authorization is received from the General Manager. Management employees may waive regular vacation time and receive additional pay in lieu of time off up to the amount of vacation time already accrued.

If an employee leaves the District for any reason, he/she will be paid for any earned but unused vacation.

4.4 Vacation Scheduling

All requests for vacation usage shall be submitted to the General Manager for approval.

4.5 Administrative Leave

Management employees shall accrue eleven days of administrative leave per calendar year in lieu of overtime and/or compensatory time off. This time shall be accrued at a rate of 3.38 hours per pay period and is to be used in the year it is accrued and not carried over.

4.6 Personal Leave

Employees are entitled to two additional days of personal leave annually. This additional leave will be added to the employee's vacation balance in July of each year.

4.7 Sick Leave

Sick leave is accrued on a bi-weekly basis for a total of 12 days per year, beginning with the date of hire. There is no limit to the number of days of sick leave that can be accumulated. All normal benefits shall continue when an employee is on paid sick leave.

Employees may use paid sick leave for illness or preventive care for themselves or a family member, as well as for the diagnosis, care, or treatment of their or their family member's existing health condition. Family members are defined as the employee's parent, child, spouse, registered domestic partner, grandparent, grandchild, and sibling.

Paid sick leave may be used by an employee who is a victim of domestic violence, sexual assault or stalking, pursuant to Labor Code sections 230 and 230.1.

4.8 Personal Sick Leave Time Allowance

Employees who meet one of the criteria outlined below on June 30 of any year are entitled to convert three days of accrued sick leave to vacation time. This will reduce the accumulated sick leave balance by the converted amount. These criteria are:

That not more than one-half of the sick leave entitlement (6 days) has been used during the prior year, OR

That the employee has an accumulated balance of at least 12 days of sick leave as of June 30.

4.9 Sick Leave Incentive

Upon retirement or termination for other than gross misconduct, employees will be paid for unused sick leave according to the following schedule:

<u>Days of Unused Sick Leave</u>	<u>Straight-Time Payment Upon Termination</u>
1 through 10	No Payment
11 through 30	25% of days accrued
31 through 50	45% of days accrued
51 and over	60% of days accrued

4.10 Retirement

For employees hired before August 1, 2013, as well as employees hired on or after August 1, 2013, who qualify for pension reciprocity pursuant to Government Code Section 7522.02(c) and any related reciprocity requirements established by CalPERS, the District provides the 2.5 percent at 55 years retirement plan based on the average of the highest three years of the employee's salary.

For Employees hired on or after August 1, 2013, who do not qualify for pension reciprocity pursuant to Government Code Section 7522.02(c), the District provides retirement coverage through the PERS retirement formula under Government Code Section 7522.20 (2% @ 62). This formula shall be based upon a 3-year average salary.

Employees shall pay 100% of the employee contribution as determined by CalPERS, and contributions are made pre-tax in accordance with Internal Revenue Service rules.

The District permits employees to buy back prior military service and other eligible CalPERS service at the employee's expense. The District participates in the CalPERS 1959 Survivor Benefit, Level 4, and Unused Sick Leave Credit provisions.

4.11 Industrial Disability Retirement

The District provides coverage under the California Public Employees Retirement System (PERS). The District contracts with CalPERS for two disability retirement plans; disability retirement and industrial disability retirement.

Disability retirement has no minimum age requirement and the disability does not have to be job related. However, an employee must have a minimum of five (5) years of CalPERS service credits to qualify for this type of retirement.

Employees hired prior to December 18, 2005, are also eligible for industrial disability retirement should they become permanently disabled from a job-related injury or illness. Industrial disability retirement has no minimum age or service credit requirement.

4.12 Long Term Disability

Employees who are actively at work have long term disability coverage through the Standard Insurance Company. Actively at work includes regularly scheduled days off, holidays, or vacation days, so long as the person is capable of active work on those days and is a citizen or resident of the United States or Canada.

4.13 Safety Shoes

Management employees who are required to perform work in the field or at construction sites will be for approved safety shoes on an as-needed basis. These safety shoe reimbursements will not exceed once per year and the maximum allowance of \$175. To receive reimbursement for approved safety shoe purchases, an employee must submit the receipt to Accounting. Other personal protective equipment will be provided as appropriate.

4.14 Health Insurance Plans

The District provides medical and fully-paid dental and vision insurance for employees and their eligible dependents following the applicable waiting period.

Medical Plans

The maximum monthly District contribution, including the PERS required minimum, equals 90% of the premium for the Blue Shield Access+ HMO plan listed for Santa Cruz County (the "base" plan). Employees enrolled in other plans will be required to pay any applicable additional cost. In no event will an employee be credited based on the plan chosen. Employees who participate in the plan will have their medical premium contributions made on a pre-tax basis.

4.15 Cash-in-Lieu of Medical Plan

If an employee is covered by other than District-offered insurance, the District upon proof of that insurance, and written request by the employee to be excluded from the District's plan, will pay the employee 30% of the adjusted premium as additional compensation. Cash in lieu will be paid as a taxable cash benefit.

4.16 Flexible Spending Account (FSA)

The District offers two Flexible Spending Account (FSA) plans. The FSA accounts reimburse employees who elect to join for eligible out-of-pocket health expenses and childcare expenses on a pre-tax basis.

4.17 Dental Insurance

Employees are required to participate in the District's 100% employer-paid Dental plan. The Dental plan provides dental coverage for employees and their eligible dependents at no cost to employees. The current plan is the Delta Dental PPO Plan.

4.18 Vision Insurance

Employees are required to participate in the District's 100% employer-paid Vision plan. The Vision plan provides vision coverage for employees and their eligible dependents at no cost to employees. The current plan is the VSP plan.

4.19 Retiree Health

For employees hired prior to December 16, 2014, the District will provide continuing basic medical care coverage only, up to the premium cost paid for active employees, to a retired employee and one eligible dependent upon service retirement, provided all of the following conditions apply: (a) the employee is not retiring in lieu of being terminated for cause; (b) the employee is 55 years of age or older; (c) the employee has at least 10 continuous years of District service; (d) Medicare or a similar form of governmental health care coverage is unavailable, (e) the retiree is not eligible for medical coverage at any other job; and (f) a retiree is not covered by a spouse's health insurance. The District will pay a pro-rated share of this benefit to eligible part-time employees. The pro-rated share of the premiums shall be based upon the proportion of the part-time employee's hours in relation to full time equivalency (FTE) calculated from date of hire.

For employees hired after December 16, 2014, the District will provide continuing basic medical care coverage only, up to the 50% of the premium cost paid for active employees, to a retired employee and one eligible dependent upon service retirement, provided all of the following conditions apply: (a) the employee is not retiring in lieu of being terminated for cause; (b) the employee is 62 years of age or older; (c) the employee has at least 10 continuous years of District service; (d) Medicare or a similar form of governmental health care coverage is unavailable, (e) the retiree is not eligible for medical coverage at any other job; and (f) a retiree is not covered by a spouse's health insurance. For employees who retire with more than 10 years of continuous service the District will provide an additional 5% of the premium cost for each year of continuous District service above 10 years, up to 100% of the premium cost paid for active employees. The District will pay a pro-rated share of this benefit to eligible part-time employees. The pro-rated share of the premiums shall be based upon the proportion of the part-time employee's hours in relation to full time equivalency (FTE) calculated from date of hire.

Disability Retirement: Upon disability retirement, the District will provide continuing basic medical care coverage, up to the premium cost paid for active employees, to a retired employee and one eligible dependent, provided the following conditions apply: (a) the employee has attained 55 years of age or has at least 20 continuous years of District Service; (b) Medicare or a similar form of governmental health care coverage is unavailable; (c) the retiree is not eligible for medical coverage at any new job; and (d) a retiree is not covered by an eligible dependent's health insurance.

Medicare Eligibility: At such time as the retired employee becomes eligible for Medicare or its equivalent, the District will contribute the minimum PERS percentage toward the Medicare supplemental plan, based on the United HealthCare (UHC) Group Medical Advantage Plan, or the lowest cost Medicare supplement plan offered by CalPERS, should the UHC plan be eliminated.

Continued coverage for a retiree's spouse shall be determined based on that person's age and Medicare eligibility. The District will continue coverage under this program for surviving spouses of deceased eligible retirees.



4.20 Life Insurance

The District provides a fully paid term life insurance plan for management employees, following an applicable waiting period, of 2 x Salary/\$200k maximum. Employees may purchase additional life insurance at their own expense up to the maximum offered by this provider. Dependent coverage at a lesser amount is also included for spouse and children. The District's Plan Administrator can provide information on coverage limits for spouse and/or dependents.

4.21 Reimbursement for Licenses & Certificates

The District will reimburse an employee for the actual costs of obtaining and maintaining required special licenses, certificates and registrations. Reimbursements for two-day exam prep study courses and exam fees are limited to two attempts to obtain any single certification or license. Courses over two days are subject to prior approval by the General Manager.

With prior approval, a District vehicle may be used to attend any associated training or testing. Mileage will be reimbursed when a personal vehicle is used. The District does not pay wages for time spent in test taking.

Formal education required to obtain any licenses, certificates or registration beyond what is required for an employee's position will be considered under the Educational Incentive provisions in the Employee Handbook.

4.22 Employee Assistance Program (EAP)

The District provides enrollment in a fully paid employee assistance program (EAP) following an applicable waiting period. The EAP plan provides confidential services and assistance to employees and their family members for personal and work-related matters.

4.23 Limited Reopener

Should there be a change in the benefits and leaves in common with the Mid-Management group during the term of this agreement, the parties to this Agreement will meet and confer regarding making those same changes effective for the Management group. Should there be a change to wages relative to a one-time payment for other recognized employee bargaining groups during the term of this agreement, the parties to this Agreement will meet and confer regarding those same changes effective for the Management group. All other provisions of this Agreement would remain in effect.

**ARTICLE 5**  
**Savings Clause**

If any article or section of this MOU or any rider thereto should be held invalid, illegal or unenforceable by operation of law or by any tribunal of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such tribunal pending final determination as to its validity or legality, the remainder of this contract or any rider thereto, or the application of such article or section to persons or circumstances other than those which it has been held invalid or as to which compliance with or enforcement of has been restrained, shall not be affected thereby.

It is further the intent that should any article or sections of this MOU be held invalid, illegal or unenforceable and inoperable, that article or section shall be renegotiated in an attempt to provide validity, legality and acceptability to such section or article.

Amendments to Agreement - This Agreement may be amended only by the mutual written agreement of the parties. Such amendments shall be lettered, dated, and signed by the parties and shall constitute a part of this Agreement.

**ARTICLE 6**  
**Entire Agreement**

The parties acknowledge that during the negotiations resulting 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 and that the understandings and agreements arrived at by the parties are set forth in this agreement. Therefore, the District and the Employees, 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 covered in this agreement. This agreement may only be amended during its term by the mutual agreement in writing of both parties.

This MOU contains the entire agreement between the parties hereto and neither party shall be bound by any statement, representation, agreement, stipulation, or provision made prior to the execution here of and not set forth herein. Any matters of employment not specifically addressed in this MOU shall be administered in accordance with the Employee Handbook as applicable to management employee status.

**ARTICLE 7**  
**Term**

This MOU shall expire on July 31, 2024. No sooner than ninety (90) days prior to the expiration, the parties shall meet and confer at the request of the Employees or the District, to amend or extend this Memorandum of Understanding. During the term of this agreement, the District will consider market adjustments based on an updated compensation survey. The external salary survey may be based on comparable classifications within Santa Cruz, Monterey and San Benito and other adjoining counties, and shall review total compensation. The parties may meet and confer prior to the survey regarding which agencies and classifications shall be included.

**APPENDIX A  
LAYOFF PROCEDURES**

A. Notice of Layoff. Employees to be laid off shall be given, except during financial emergencies where notice may be shorter, at least thirty (30) calendar days prior written notice stating the following:

- 1) Reason for layoff
- 2) Effective date
- 3) Employee's position on the rehire list will be forwarded when available.

Management employees shall be afforded the opportunity to meet and confer.

B. Reassignment (Bumping) in Lieu of Layoff. Employees may elect reassignment or bumping in lieu of layoff in accordance with the following provisions:

1. Bumping to the same or previously held classification:
  - a) An employee may request reassignment to the same classification anywhere in the District organization, provided the employee is more senior than the least senior employee in that classification.
  - b) An employee may request reassignment to a classification in which the employee had previously held regular status anywhere in the District organization, provided the employee is more senior than the least senior employee in that classification. Seniority shall be determined by adding together time in all other classifications to the previously held lower classification to which the employee is attempting reassignment (bumping).
2. Reassignment to a position not previously held:
  - a) Vacancy: An employee may be reassigned to a different department in lieu of layoff if, at the time of layoff, a vacancy exists for which the employee is qualified. Qualifications will be based on meeting the MQ's, and the ability to retrain within ninety (90) days. The determination of whether an employee is qualified to work in another classification is based on the employee meeting the MQ's. After ninety (90) days, a review will be made by the General Manager, to determine whether the employee is qualified to fill the position as a regular appointment.
  - b) Classification Series: An employee may request reassignment to a lower classification within the series grouping, provided the employee is qualified and is more senior than the least senior employee in the lower classification. The determination of whether an employee is qualified to work in another classification will be made by the General Manager.

C. Re-employment. The names of persons reassigned or laid off in accordance with this procedure shall be placed on a re-employment list in order of seniority for a period of eighteen (18) months. The person highest on the list for a particular classification when a vacancy occurs in this classification, or in a subordinate related classification in any department shall be offered the appointment without going through the normal selection process, but subject to the following procedures:

1. Persons offered such re-employment opportunity may be required to pass a normal pre-employment physical examination prior to reappointment and any associated typical agility tests for the classification. This provision is subject to Americans with Disabilities Act (ADA) provisions.

2. A person offered re-employment through this procedure must be available for re-employment within two weeks after it is offered. The person will be notified by certified mail - return requested.
  3. A person's name will be removed from the re-employment list if the individual turns down an offer of re-employment or fails to respond to a written offer sent by return receipt requested to the last known address within ten (10) working days, or if the individual submits a written request to be removed from the list.
  4. Upon re-employment, all rights and benefits acquired by the individual prior to layoff shall be restored, including credit for years of employment towards seniority, leave accrual rate and previous pay step. In no event, however, will the District be required to restore credits for vacation or other benefits paid out at the time of separation or coverage for any group insurance programs for the period the employee was not working for the District.
  5. An interested person on a re-employment list may elect to be available for temporary part-time work, and shall be given preference for work in any department in that individual's former classification, or other classification for which the individual is qualified or as defined above. Any interested person must provide in writing a telephone number and address where they can be reached to the Finance Office. Failure of a person to respond to a written notice of such an offer of work within ten (10) working days shall result in disqualification.
- D. Job Counseling and Placement Services. It is the District's intent to assist laid off employees through the transition from District service. To the extent possible, the District will provide job counseling to employees facing layoffs. The Financial and Business Services Manager will function as a clearinghouse for information and referrals on outside employment, training opportunities, and potential re-employment opportunities with the District.
- E. Retraining. It is the District's intent to consider on-the-job training programs for laid off employees and employees designated for layoff who may be interested in transitioning to other vacant positions within the District for which they may or may not be fully qualified. If an employee's qualifications are judged to meet the minimum desirable qualifications, as outlined in the job description or, if, in the opinion of the department manager, it is reasonable to expect the employee to meet the minimum desirable requirements within a 90-day period of on-the-job training, the District will consider the laid off employee along with any other employee or applicants. An employee who is placed in a position under this provision shall have their name removed from any re-employment lists. If the position in which the employee is placed is considered a promotion, the employee shall serve a probationary period.

**APPENDIX B  
USE OF PRIVATELY-OWNED VEHICLES FOR DISTRICT BUSINESS,  
AND DISTRICT APPROVED TRAVEL**

1. Use of Privately-Owned Vehicles

An employee may use a privately-owned vehicle if the Department has determined that:

- 1) a District-owned vehicle is not available, or
- 2) it is more advantageous economically to the District for the employee to use his/her own vehicle even though a District vehicle is available, or
- 3) use of the District vehicle is unreasonable considering all circumstances in a particular situation, or
- 4) the employee has the approval of the General Manager.

In determining the economic advantage of District versus private vehicle use, the General Manager will consider the following:

- 1) Distance to be traveled and duration of trip;
- 2) Location of the employee's residence, regular workplace, destination, and location of available District vehicles, as these factors affect employee time and distance traveled.

2. District Approved Travel

All travel by District personnel on official business will require final approval by the General Manager.

The District will arrange and pay direct for lodging where practical. Where the employee arranges for lodging, pre-approval must be obtained from the General Manager. Receipts will be required for reimbursement of the approved lodging.

Receipts are required for the reimbursement of meals and are limited to the higher of the per diem schedule or the U.S. General Services Administration (GSA) per diem rate. Tips are not included in the per diem limits; however tips should not exceed 15% of the cost of the meal where reimbursement is requested. No alcoholic beverages will be paid for by the District.

In those instances where a receipt cannot be obtained, the General Manager can approve reimbursement up to the per diem schedule. Per diem reimbursements will be reported as wages for tax purposes where applicable under Internal Revenue Service guidelines.

<u>Per Diem Schedule</u>	
Breakfast	\$ 10.00
Lunch	15.00
Dinner	<u>26.00</u>
Daily Total (including tips)	\$51.00

Breakfast is allowable if travel begins by 6:00 a.m.  
Lunch is allowable if travel begins by 11:00 a.m.  
Dinner is allowable if travel ends after 7:00 p.m.

The District will pay up to a cumulative maximum of 15 minutes per day for phone calls home while on District business.