

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
ORANGE COUNTY SANITATION DISTRICT
AND THE
EMPLOYEES IN THE PROFESSIONAL GROUP

July 1, 201~~96~~ through June 30, 20~~22~~¹⁹

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
ORANGE COUNTY SANITATION DISTRICT
AND THE
EMPLOYEES IN THE PROFESSIONAL GROUP**

In accordance with the provisions of California Government Code Sections 3500, et seq., and Resolution No. 99-24 of the Joint Boards of Directors, the District's authorized representatives have met and conferred in good faith with representatives of the Professional Group. These meetings have resulted in an agreement and understanding to recommend that the employees represented by the Professional Group accept these terms and conditions, and that the Board of Directors adopt by Resolution the changes and additions to the wages, hours, and conditions of employment for the employees represented by the Professional Group as set forth in this Agreement.

ARTICLE 1. - RECOGNITION

- 1.1. This Agreement, effective July 1, 201~~96~~⁹, is entered into between the Orange County Sanitation District, referred to hereinafter as the "District", and the Professional Group, referred to hereinafter as "Group", as a mutual recommendation to the Board of Directors of the District of those wages, hours of work, and terms and conditions of employment.

ARTICLE 2. - DURATION

- 2.1. This Agreement will be binding on the District and the Group when approved and adopted by the District's Board of Directors. This Agreement will terminate on June 30, 20~~22~~¹⁹. Any issue regarding the question of representation shall be brought pursuant to the Employer-Employee Relations Resolutions (EERR), Resolution No. OCSD 99-24.

ARTICLE 3. - SUCCESSOR AGREEMENT

- 3.1. The Group will submit in writing its initial proposal for a successor agreement prior to the expiration date of this Agreement.

ARTICLE 4. - GROUP ACCESS

- 4.1. A Group representative will have access to the District facilities during normal working hours for the purpose of assisting Group employees in processing grievances or investigating matters arising out of the application of provisions of this Agreement.
- 4.2. The Group will provide the Human Resources Department or designee, with a list of Representatives who are authorized to request access under this article, and will notify the Director of Human Resources, or designee, of any changes in that list.
- 4.3. Group access will not unreasonably interfere with District operations, or with the work of employees in any manner. The District reserves the right to restrict access in certain areas designated confidential or secure.

ARTICLE 5. - GROUP RIGHTS

- 5.1. The Group may designate up to five (5) employees to act as representatives for employees covered by this Agreement. The Group will furnish the Human Resources Department with the names of employees selected as representatives and will update the list as necessary. An alternate representative may be designated to act in the absence of the regular representative. Employees not listed on the roster of representatives provided to the District by the Group may not act as representatives.
- 5.2. Representatives will not perform non work-related duties on work time without the prior approval of their immediate supervisor. Neither the District nor the Group will interfere with, intimidate, restrain, coerce or discriminate against employees because of the exercise or non-exercise of their rights to engage in Group activity.

ARTICLE 6. - DISTRICT RIGHTS

- 6.1. District inherent rights, powers, functions, duties, responsibilities and authority related to a managerial or administrative character are reserved to the District in its exercise of management decision-making, except as specifically modified by the express provisions of this Memorandum. District rights include, but are not limited to, the exclusive right to consider the merits, necessity or organization of any service or activity provided by law, or administrative order; determine the mission of its constituent departments, commissions and boards; set standards of service, determine the procedures and standards of selection for employment and promotion; establish and implement performance standards; direct its employees; take disciplinary action for proper cause; layoff employees from duty because of lack of work or lack of funds; maintain the efficiency of District operations; determine the methods, means and personnel by which District operations are to be conducted; determine the content of job classifications; classify and reclassify positions; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.
- 6.2. District retains all authority and rights conferred on it by law, or other legal sources, except to the extent that such authority is explicitly waived by the express terms of this agreement. District exercise of its management rights hereunder shall not be subject to appeal or meeting and conferring, however, that the exercise of such rights does not preclude the Group from appealing or meeting and conferring the practical consequences or impacts that District decisions have on wages, hours, and other terms and conditions of employment.

ARTICLE 7. - NONDISCRIMINATION IN EMPLOYMENT

- 7.1. There will be no unlawful discrimination in the application of the provisions of this Agreement with regard to actual or perceived race, color, religion, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, physical or mental disability, medical condition, genetic information, marital status, or military or veteran status, or any other lawfully protected class. To the extent required by law or by the District's rules or regulations, this provision of the Agreement will be applied to all members of the Group without regard to any protected classification.

ARTICLE 8. - SMOKE-FREE WORK ENVIRONMENT

- 8.1. The District endorses and supports the right of all employees to work in a healthy and safe environment free of recognized hazards. In view of the hazards associated with smoking and the potentially harmful effect it has on the health and well being of

District employees and their families, smoking and the use of tobacco (cigarettes, cigars, e-cigarettes ["vaping"] and related tobacco products and technologies) is not acceptable within District facilities, and may occur only in areas posted for smoking.

ARTICLE 9. - SAFETY

- 9.1. It is the duty of the District to provide and maintain a safe place of employment. The Group will cooperate by encouraging all employees covered by this Agreement to perform their work in a safe manner. It is the duty of all employees covered by this Agreement, in the course of performing their assigned duties, to be alert to unsafe practices, equipment, and conditions, and to follow the safety regulations and requirements of the District, and to report any unsafe practices or conditions to their immediate supervisor. An employee will not be required to perform work that is unsafe.

ARTICLE 10. - DISCIPLINE AND DISMISSAL

- 10.1. Discipline may occur when any of the following actions are taken for just cause with respect to any employee in the Group: verbal reprimand; written reprimand; suspension without pay; reduction in pay; demotion to a classification with a lower pay grade, or dismissal.
- 10.2. Dismissal, for purposes of this Article, is the separation of a non-probationary employee initiated by the District for just cause.
- 10.3. A Notice of Intent is not required when the disciplinary action involves a verbal reprimand or written reprimand.
- 10.4. A Notice of Intent is required and will be given to an employee whenever the disciplinary action involves suspension without pay, reduction in pay, demotion to a classification with a lower pay grade, or dismissal. The notice will be given to the affected employee either by delivery in person or by Certified Mail sent to the employee's last known address. Such personal delivery or mailing will be presumed to provide actual notice to the affected employee. The Notice of Intent will indicate the date on which it was personally delivered or deposited in the mail, which will be the date of issuance.
- 10.5. The Notice of Intent will contain the following: (1) a description of the disciplinary action intended and the effective date of the action; (2) the reasons for the proposed action; (3) a copy of the charges and materials upon which the action is based; and, (4) a statement of the employee's right to respond, either verbally or in writing to the person initially imposing the discipline, or to a District management representative with authority to make an effective recommendation on the proposed action; the person to whom any response must be directed, and the fact that such response must be received within ten (10) business days of the date of issuance of the notice. The Notice will also advise the employee of the right to representation.
- 10.6. Prior to the effective date of the proposed disciplinary action, the employee will be given an opportunity to respond either verbally or in writing to a management representative with authority to make an effective recommendation on the proposed action. After review of an employee's response, the District will notify the employee in writing of the action that will be taken. Such action may not involve discipline more severe than that described in the Notice of Intent; however, the District may reduce discipline without further notice. Further clarification of the disciplinary policies and procedures are covered in the District's Personnel Policies & Procedures Manual.

- 10.7. Dismissal will be preceded by at least one (1) written reprimand, except in those situations in which the employee knows or reasonably should have known that the performance or conduct was unsatisfactory. Such performance or conduct may involve, but is not limited to, dishonesty, possession, use, sale or being under the influence of drugs or alcohol, theft or misappropriation of District property or funds, fighting on the job, insubordination, acts endangering people or property, or other serious misconduct. The District may substitute documented suspensions without pay for written reprimands.
- 10.8. If a Notice of Intent is upheld and the disciplinary action is imposed, the employee may request a post-disciplinary hearing. The request must be submitted to the Assistant General Manager or designee, within ten (10) business days following the effective date of the disciplinary action (for suspensions, the effective date will be the first business day following the final day of the suspension). The Director of Human Resources, or designee, will schedule a post disciplinary hearing with the General Manager or a hearing officer selected by the General Manager. The hearing officer may not be an employee of the District. The hearing officer will provide a written, advisory decision to the General Manager. The General Manager may uphold the disciplinary action that has been taken or may reduce such discipline without the issuance of a further Notice of Intent. The decision of the General Manager will be final. If the hearing officer upholds the disciplinary action, the employee will pay the full cost and expenses of the hearing officer.
- 10.9. All disciplinary action documentation, except verbal reprimand documentation, will be placed in an employee's Personnel File in the Human Resources Department. Verbal reprimand documentation will be kept in the supervisor's employee files. Supervisors shall inform management staff when a verbal reprimand is to be implemented. If after twenty-four (24) months from implementation there have been no recurrences of similar incidents, the supervisor shall destroy the verbal reprimand documentation.
- 10.10. Written reprimands may be removed from an employee's personnel file twenty-four (24) months subsequent to the date of the issuance, provided that there has been no recurrence of a similar incident during the period. If the Human Resources Department agrees to remove the written reprimand documentation from an employee's personnel file such documentation will be retained in a separate file by the Human Resources Department for the purpose of showing that progressive discipline has been followed or in support of the District proposed discipline.
- 10.11. Verbal reprimands and written reprimands may only be reviewed under this Agreement through the Problem Solving Procedure. Nothing in this article will be construed as a waiver of any statutory or constitutional rights.
- 10.12. A reduction in pay or demotion to a classification with a lower pay grade that is not a result of performance deficiencies (for example, reclassifications, "bumping" associated with layoffs, reasonable accommodation) shall not be considered discipline.

ARTICLE 11. - GRIEVANCE PROCEDURE

- 11.1. A grievance is any complaint that management has violated a specific provision of this Agreement, except that, in accordance with Article 10 above, discipline which requires a Notice of Intent may not be reviewed under this Grievance Procedure.
- 11.2. A grievance may be brought to the attention of the District by an individual employee within the Group or by the Group. The District may not bring a grievance through this

procedure. Grievances brought by two (2) or more employees, and concerning the same incident, issue, or course of conduct, or multiple grievances brought by the same employee may, upon mutual agreement of the District and the Group, be consolidated for the purposes of this procedure.

- 11.3. Employees are encouraged prior to bringing forward a formal grievance, to discuss the issue with the Director of Human Resources, or designee, in an effort to bring about an informal resolution.
- 11.4. An employee may be self-represented or be represented by the Group at all steps of the Grievance Procedure unless specifically agreed otherwise by the Group and the employee. The District will provide a copy of all written grievance settlements to the Group. Any reference to days in this article implies business days.
 - 11.4.1. Step 1. An employee who has a complaint will attempt to resolve it with his/her immediate supervisor within ten (10) days of the occurrence of the event giving rise to the complaint, or within ten (10) days from the time that the employee became aware of such event. The supervisor will attempt to resolve the issues surrounding the complaint, and respond to the employee within ten (10) days.
 - 11.4.2. Step 2. If the grievance is not settled informally at Step 1, it may be submitted in writing to the employee's Department Head, or designee. This request for formal review must be presented on a form provided by the District within ten (10) days of the conclusion of Step 1. A copy of each written communication on a grievance shall be filed with the Assistant General Manager, or designee. The written grievance must:
 - 11.4.2.1. Identify the specific management act to be reviewed;
 - 11.4.2.2. Specify how the employee was adversely affected;
 - 11.4.2.3. List the specific provisions of this agreement that were allegedly violated and state how they were violated;
 - 11.4.2.4. Specify the remedy requested; and
 - 11.4.2.5. Provide the date of attempts at informal resolution and the name of the supervisor or individual involved.
 - 11.4.3. The Department Head will respond in writing to the employee within ten (10) days after the date the grievance is received.
 - 11.4.4. Step 3. If a grievance is not settled under Step 1 or 2, it may be presented to the Assistant General Manager, or designee, for review and written response. The request for formal review must be presented on a form provided by the District within ten (10) days of the conclusion of Step 1 or 2, and must contain the information specified in Step 2 above. A copy of each written communication on a grievance shall be filed with the Assistant General Manager, or designee. The Assistant General Manager, or designee, will respond in writing to the employee within ten (10) days after the date the grievance is received.
 - 11.4.5. Step 4. If the grievance cannot be resolved under Step 3, it may be presented to the General Manager within ten (10) days from the date the Step 3 finding was issued. The General Manager, or designee, will respond

in writing to the employee within fifteen (15) days after the date the grievance is received. The decision of the General Manager is final.

- 11.5. General Provisions. An employee will be given reasonable time off without loss of pay to present and process a grievance. If an employee is represented by the Group, the Group may designate one (1) employee to present and process the grievance. The employee representative will be given reasonable time off without loss of pay to perform this responsibility. Absence from work will be approved only if it does not cause disruption to District operations. However, if the time requested cannot be provided, an alternate time will be arranged.
- 11.6. Failure of a supervisor, Department Head or other management representative to respond within the appropriate time limit will provide a basis for the employee appealing to the next step. If a grievance is not presented or appealed within the time limits, it will be considered resolved on the basis of the preceding response. The Human Resources Department may be petitioned in writing to waive the step or time requirements provided sufficient cause exists. Time limits may also be extended at any step upon mutual agreement of the parties. The District agrees to meet face-to-face with the employee at each step of the grievance procedure at the request of the employee.
- 11.7. Resolution may be agreed upon at any stage of the grievance process. However, the Group will be notified prior to the resolution of any formal grievance matter.

ARTICLE 12. - PROBLEM SOLVING PROCEDURE

- 12.1. Employees may bring problems to the attention of District managers through the Problem Solving Procedure. This Procedure was developed to encourage and facilitate the resolution of employee concerns in a responsive and fair manner, and may be used to attempt to resolve issues that may not be subjected to the Grievance Procedure. Any reference to days in this article implies business days.
- 12.2. Employees should discuss concerns regarding issues that are not grievable with their supervisor as soon as possible. The supervisor will review the situation or decision, and provide a written response within five (5) days from the date they were notified of the problem.
- 12.3. If the problem is not resolved to the employee's satisfaction, the employee may file a written statement concerning the problem with the Human Resources Department within ten (10) days of receipt of the supervisor's decision. Upon request of either party, a meeting will be held to define issues and establish the remedies sought. The employee will be provided a written response within ten (10) days after his/her statement is received. Time limits may be extended for cause upon mutual consent of the parties, and the decision of the Human Resources Department is final.

ARTICLE 13. - SALARY ADJUSTMENTS AND COMPENSATION

- 13.1. Each pay grade is divided into five (5) steps, with an approximate 5.0% difference between each step.
- 13.2. Pay increases will only apply to eligible employees in an active payroll status on the effective date of implementation. Eligible employees will not receive retroactivity if active payroll status becomes effective after the date of implementation.

13.3. Merit Pay

13.3.1. Step Increase Pay – Group employees are eligible for Step Increase Pay based upon receipt of year-end performance appraisal ratings issued by the assigned supervisor. Step Increase Pay will be paid according to the following:

13.3.1.1. Eligible - Employees must have a proficient year-end performance appraisal to receive a one (1) step base-building salary increase until earning placement at step five (5).

13.3.1.2. Ineligible - Employees who are placed on a Performance Improvement Plan (PIP) due to a needs improvement performance review on the year-end appraisal or who are on a PIP at the time of the year-end appraisal period will remain at their current step until the PIP is satisfactorily completed.

13.4. Performance Management Program: The performance management program includes two (2) rating categories (proficient and needs improvement) for performance appraisals.

13.5. Development Pay – Employees under this Agreement are eligible for Development Pay. Development Pay is a non-base building pay type that will be distributed in a lump-sum amount each pay period. Employees must have a proficient year-end performance appraisal to be eligible for the following Development Pay types:

13.5.1. Education – ~~Effective the first pay period in July 2016,~~ Eligible employees who obtain or who have obtained a graduate degree of approved subjects at an accredited college or university will receive \$75.00 per pay period.

13.5.2. Certification/License – ~~Effective the first pay period in July 2016,~~ Eligible employees who obtain or who have obtained a District approved certification or license will receive \$15.24 per pay period per certificate or license with a maximum of three (3) certificates and/or licenses.

13.5.3. Grade V Pay – Employees who receive Grade V pay in accordance with the applicable District policy are ineligible to receive Development Pay for their Grade V California Wastewater Treatment Plant Operator Certificate. Employees who possess a Grade V Certificate and do not meet the criteria for Grade V Pay are eligible for Development Pay in accordance with the Development Pay Program Guidelines.

13.6. Employees who are placed on a PIP due to a needs improvement performance review on the year-end performance appraisal are not eligible for Development Pay until the PIP is satisfactorily completed.

13.7. Employees who are placed on a PIP due to needs improvement performance outside the year-end appraisal will have all Development Pay suspended until the PIP is satisfactorily completed. The return of Development Pay will not be retroactive.

13.8. Salary Range Adjustments

13.8.1. ~~Effective the first pay period in July 2016,~~ employees under this Agreement will receive salary range adjustments at a flat rate of

~~3.02-5%~~.

13.8.2. Effective the first pay period in July 20~~17~~, employees under this Agreement will receive salary range adjustments at a flat rate of ~~2.53.0%~~.

13.8.3. Effective the first pay period in July 20~~17~~¹⁸, employees under this Agreement will receive salary range adjustments at a flat rate of ~~2.53.0%~~.

13.9. Investment Incentive Salary (IIS)

13.9.1. An additional amount of 4% of base salary will be paid to employees hired or promoted into the Group on or before October 16, 2003 in a lump-sum amount each pay period. This provision continues to make employees whole as a result of the Ventura decision. The above percentages will not be counted toward base salary for the purpose of salary surveys.

13.9.2. In addition, employees hired or promoted into the Group on or before October 16, 2003 will be paid \$1250 annually or \$48.08 per pay period in IIS to further encourage savings and investment for retirement.

13.9.3. IIS amounts are applied to annual, retirement, and termination leave payouts for eligible employees.

ARTICLE 14. - SEVERANCE PAY

14.1. Employees are expected to give a minimum of two (2) weeks written notification when terminating employment with the District. Except for disciplinary cause, when a full-time employee is terminated by action of the District, the employee will be notified in writing two (2) weeks prior to the effective separation date. The employee will be entitled to severance pay in accordance with the formula set forth below:

14.1.1. Full-time, regular employees will be entitled to eight (8) hours pay for each full calendar month of continuous employment not to exceed one hundred sixty (160) hours pay.

14.1.2. Employees in limited term or part-time positions, probationary employees and employees who are separated for cause are not eligible for severance pay under any circumstances.

ARTICLE 15. - DEFERRED COMPENSATION

15.1. Employees may participate in the District approved deferred compensation plan, subject to IRS requirements, and in accordance with all guidelines for voluntary participation established by District management.

ARTICLE 16. - HOLIDAYS

16.1. The days listed below are observed by the District as holidays. Employees will receive holiday pay if their entire scheduled work shifts immediately preceding and following the holiday are in a paid payroll status, meaning the employee worked those shifts or utilized paid time off in lieu of working those shifts. When an employee's work schedule requires that they work on an observed holiday, the

employee will be paid at the employee's regular rate of pay for the holiday, and will also receive pay at the rate of one and one half (1.5) times his/her regular hourly rate for all hours actually worked. Employees may also elect to receive Holiday Compensatory Time Off on an hour for hour basis rather than receive holiday pay, if requested by December 31 of the prior year on the Holiday Comp Cashout Form. When a holiday occurs on an employee's regular scheduled day off, the employee will accrue compensatory time off for the amount of hours normally scheduled for that day. Employees with a compensatory time off balance in excess of fifty (50) hours as of the last pay period ending in October will receive a mandatory payout for the hours that exceed fifty (50).

Holidays
New Year's Day
Lincoln's Birthday
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Day after Thanksgiving
Day before Christmas
Christmas Day
Floating Holiday**

- 16.2. Floating Holiday: Employees may elect one (1) day during each year as a "Floating Holiday." New employees shall be granted a "Floating Holiday" on a pro rata basis in the first calendar year of service per the following table:

Hire Date	Percent
1 st Quarter (January-March)	100%
2 nd Quarter (April-June)	75%
3 rd Quarter (July-September)	50%
4 th Quarter (October-December)	0%

- 16.3. Employees must use the "Floating Holiday" within the year it is granted. Every effort will be made to approve an employee's request for a "Floating Holiday" off providing sufficient notice is given.
- 16.4. Part-time employees are eligible for holiday benefits on a pro-rata basis as set forth in applicable District Policy.

ARTICLE 17. - HOURS OF WORK

- 17.1. The work schedule for full-time employees will be eighty (80) hours per biweekly pay period, normally scheduled in shifts of five (5) eight 8-hour days each week, four (4) nine-9-hour days each week and one (1) additional 8-hour day on alternate weeks (9/80), four (4) ten 10-hour days each week (8/80), or three (3) twelve 12-hour days each week and one (1) additional 8-hour day on alternate weeks (7/80). However, with the approval of the employee's supervisor, employees may be allowed to flex their schedule within the pay period provided that the business needs, work flow, and customer service needs of the District are met.
- 17.2. The District may, at its sole discretion, change an employee's work schedule with thirty (30) days written notice to the affected employee, which may be waived by the employee per written request.
- 17.2.1. The 30-day notice will not be applicable if the change is a result of a reasonable accommodation.

ARTICLE 18.

(This article intentionally left blank)

ARTICLE 19.

(This article intentionally left blank)

ARTICLE 20. - INSURANCE

- 20.1. The District will provide healthcare and welfare insurance benefits.
- 20.2. All insurance coverage will become effective on the first day of the month following date of hire, regardless of hire date. An open enrollment period will be held annually.
- 20.3. Medical Insurance
- 20.3.1. The District will provide medical health insurance coverage through a Health Maintenance Organization (HMO) medical insurance plan, a Preferred Provider Organization (PPO) medical insurance plan, and a High Deductible Health Plan (HDHP).
- 20.4. Regular, full-time employees The District will contribute 90% of employee only premiums for the HMO medical health plans and 80% of employee only premiums for the PPO medical plan. The District will contribute 80% of the employee +1 dependent and full family premiums for the HMO or PPO medical plans. Any change in insurance rates will be shared equally in same ratio as the District and employees currently pay premiums. Before the renewal of any District sponsored health insurance plan, the parties agree to meet and confer as to changes in the plan.
- 20.5. Regular, part-time employees Part-time employees are eligible for medical insurance benefits on a pro-rata basis as set forth in the applicable District Policy.
- 20.6. The HDHP will be accompanied by a Health Savings Account (HSA) to pay for qualified medical expenses. OCSD will use a portion of the cost savings in premiums to fund the HSA accounts during active employment only. The HSA will be funded with the savings generated annually by calculating the difference between the

District's share of the PPO and HDHP premiums. Exact HSA account funding will be calculated annually, prior to open enrollment, in an amount up to the difference in deductibles, not to exceed the District's aforementioned annual premium cost savings.

20.7. The District may reopen negotiations at any time during the term of this agreement to address the impact of the Affordable Care Act (ACA).

20.8. Group Insurance Premiums

20.8.1. Group insurance premiums that are paid by salary redirection can be made on a pre-tax basis.

20.9. Life Insurance

20.9.1. The District will pay the full premium for \$50,000 term life insurance on each employee.

20.10. Short Term Disability

20.10.1. The District will provide a non-work related, short-term disability indemnity plan that provides benefits for employees equal to the maximum weekly amount provided through California's State Disability Insurance (SDI) program for up to twenty-six (26) weeks following a fourteen (14) calendar day waiting period.

20.11. Long Term Disability

20.11.1. The District will provide a non-work related, long-term disability indemnity plan that pays two-thirds of the employee's rate of pay in effect at the time of such disability, not to exceed \$5,000 per month, following a 90-day waiting period of continuous disability, at such time that an employee completes five (5) years of service.

20.11.2. For participants age 64 and younger, the maximum period of payment is based on the Social Security Act retirement age of 65. For participants age 65 and older, the maximum period of payment is specified. The specified periods and additional information about coverage is included in OCSD's long term disability plan contract accessible on the intranet.

20.11.3. No combination of disability or sick leave pay will result in more than an employee's regular rate of pay. Employees may not receive short-term and long-term disability benefits at the same time. An employee who is otherwise not eligible for District paid Long Term Disability may purchase such coverage at their own expense.

20.12. Dental Insurance

20.12.1. The District will contribute 80% of employee only and full family premiums for dental insurance.

20.13. Vision Insurance

20.13.1. The District will provide a vision insurance plan for regular, full-time employees and eligible dependents. Part-time employees are eligible for vision insurance benefits on a pro-rata basis as set forth in applicable

District Policy.

20.14. Retiring Employees

- 20.14.1. The District will pay, for employees hired prior to July 1, 1988, two and one-half (2.5) months' premium for each year of continuous service of a retiring employee towards the premium costs of coverage for the employee and eligible dependents under the District medical plan.
- 20.14.2. In the event the District adds additional optional insurance plans, the District's share of the premium will be the same as for existing plans as set forth above. In the event the District changes underwriters for existing insurance plans, the District's share of the premium will be the same as for existing insurance plans as set forth above.

20.14.3. The District will continue to implement the retiree medical health premium offset program wherein the cost of health premiums are offset by \$10 per month for every full year of continuous service up to a maximum of 25 years or \$250 per month.

- 20.15. Health Retirement Account (HRA) Reopener: The District and the Group agree to reopen this Agreement to discuss HRA plan design and funding mechanism options, including District and/or employee funding, understanding the District is not making any commitment to District funding.

Commented [BS1]: Marc and SPMG team - We did not discuss this at the table, but we have updated this language (house keeping) to align with OCSD's current practice. Are you OK with this update?

ARTICLE 21. - REIMBURSEMENT ACCOUNT

- 21.1. Section 125 of the Internal Revenue Code permits employees to use pre-tax dollars to pay for their portion of the cost of benefits under the Plan through salary redirection arrangements. The options available under the flexible benefits program are listed below. This is a brief overview of the different options. For complete information regarding Flexible Spending Accounts employees must refer to the plan booklet available in the Human Resources Department.
- 21.2. Medical Reimbursement Account
- 21.2.1. The purpose of this account is to provide a method through which the employee can accumulate pre-tax funds in a Medical Care Reimbursement Account for purposes of reimbursing himself/herself for payment of health care costs not otherwise covered by his/her medical insurance.
- 21.3. Dependent Care Assistance Account
- 21.3.1. The purpose of this account is to provide a method through which the employee can accumulate pre-tax funds in a Dependent Care Assistance Account for purposes of reimbursing himself/herself for child care expenses or day care for a disabled dependent

ARTICLE 22. – EXTRAORDINARY SERVICES COMPENSATION

- 22.1. Employees in the Group are exempt from the overtime provisions of the Fair Labor Standards Act. However, when services are required beyond what is normally expected of a position in this Group, employees will be eligible to receive additional compensation, as defined herein, for performing extraordinary services.

Extraordinary services shall be defined as:

- 22.1.1. The General Manager declares an emergency. A declaration of an emergency is at the sole discretion of the General Manager whose decision is final and not subject to any other provision of this Agreement, including Article 11 – Grievance Procedure or Article 12 – Problem Solving Procedure.
 - 22.1.2. The General Manager determines that there exists a critical event. A critical event is defined as work of a prolonged nature; involving non-emergency related services; major special projects; or when a substantial effort must be expended to meet a compliance date or scheduled deadline. The designation of a critical event is at the sole discretion of the General Manager whose decision is final and not subject to any other provision of this Agreement, including Article 11 – Grievance Procedure or Article 12 – Problem Solving Procedure.
 - 22.1.3. Written approval of a critical event must be obtained in advance of the work to be performed. The authorization shall set forth the work to be accomplished, the anticipated start and end date and those employees expected to participate in the work. The Department Head, or designee, will be responsible for determining the actual start and end date as well as those who actually work the event.
- 22.2. Upon the declaration of an emergency or upon the designation of a critical event, employees will be compensated as follows:
- 22.2.1. Compensation will be restricted to those employees that are assigned to the event, independent from which department they are assigned.
 - 22.2.2. For emergencies, compensation will occur for all hours outside the employee's regularly scheduled work shift. For critical events, compensation will occur for all hours after an initial 10 hours of uncompensated time has elapsed.
 - 22.2.3. Employees in the Operations Supervisor classification will receive additional compensation at one and one-half (1.5) times their regular rate of pay. All other classifications shall receive straight time compensation.

ARTICLE 23. – PROBATIONARY PERIOD

- 23.1. All new employees serve an initial probationary period beginning with the date of hire and extending to at least the first day of the pay period following six months of employment without a break in service. Extended absence without pay, short-term and long-term disability and Workers' Compensation leave does not provide an opportunity to judge an employees' capability to meet performance expectations for a position, and thus the time spent on such leaves will not be included towards completion of the probationary period and may result in an extension.
- 23.2. Employees who are rehired following a break in service must complete a new probationary period whether or not one was previously completed. An employee may be released during his/her Probationary Period at the discretion of the District without recourse to the Grievance Procedure.
- 23.3. Employees who are reassigned or laterally transferred will serve a probationary period of six months. The "probationary period" shall not divest an employee of

his/her property right in his/her former position. Rejection of probation during this period shall result in the employee reverting to his/her former assignment and/or position.

ARTICLE 24. – PROMOTIONS

- 24.1. A promotion is the appointment of an employee to another classification with a higher maximum rate of pay. The District will determine whether a vacant position will be filled as an open or promotional recruitment. Whenever the District intends to fill a position by promotion, the District will post the opportunity for a minimum of ten (10) business days. Employees must apply during the period of posting. Notices will be posted on the District's intranet.
- 24.2. A promoted employee will serve a promotional probationary period lasting at least until the first day of the pay period six months after the effective date of the promotion.
- 24.3. At any time during the promotional probationary period, an employee may be returned to his/her previous position. The promotional probation period may be extended by mutual agreement between the employee and District management for up to ninety (90) days.
- 24.4. If an employee is promoted during his/her initial probationary period, the period will be extended until at least the first day of the pay period six months after the effective date of the promotion.
- 24.5. Promoted employees will receive the equivalent of a one (1) step increase in pay, not to exceed the top of the range for the new classification or the minimum rate of the new classification whichever is greater.

ARTICLE 25. – RETIREMENT

- 25.1. The District will continue participation in the Orange County Employees Retirement System (OCERS), wherein all full-time employees and part-time employees scheduled to work twenty (20) hours per week or more are considered members. The following retirement program is in effect pursuant to the contract between OCERS and the District.
 - 25.1.1. Employees hired prior to September 21, 1979: The District will continue to contract with OCERS to provide the 2.5% @ 55 benefit formula (Plan G) based on the highest consecutive twelve (12) months average earnings, past and future service.
 - ~~25.1.1.1. The District will continue to pay 4.5% towards the employee's contribution to OCERS for those employees who elected to make a one-time decision to remain in the Plan G program.~~
 - 25.1.2. Employees hired on or after September 21, 1979 and before October 1, 2010: The District will continue to contract with OCERS to provide the 2.5% @ 55 benefit formula (Plan H) based on the highest consecutive thirty-six (36) months average earnings, past and future service.
 - 25.1.2.1. The District will continue to pay 3.5% of an eligible employee's base salary towards the employee's contribution to OCERS.

- 25.1.3. Employees hired on or after October 1, 2010 and before January 1, 2013: The District will contract with OCERS to provide the 1.667% @ 57.5 benefit formula (Plan B) based on the highest consecutive thirty-six (36) months average earnings, past and future service.
- 25.1.3.1. The District will pay 0% of an eligible employee's base salary towards the employee's contributions to OCERS.
- 25.1.4. Employees hired on or after January 1, 2013: The District will contract with OCERS to provide the 2.5% @ 67 benefit formula (Plan U - PEPRA) based on the highest consecutive thirty-six (36) months average earnings, past and future service.
- 25.1.4.1. The District will pay 0% of an eligible employee's base salary towards the employee's contribution to OCERS.
- 25.2. All monies actually contributed into the retirement system by an employee will be deducted from gross salary for taxation purposes in accordance with Internal Revenue Code provisions.

ARTICLE 26. – SHIFT DIFFERENTIAL

- 26.1. Employees who are assigned to work a night shift that consists of 50% or more of the hours between 6:00 p.m. and 6:00 a.m. and who actually work that shift will receive a shift differential of ~~\$32.05~~ \$32.050 per hour.

ARTICLE 27. – LEAVE-OF-ABSENCE WITH PAY

27.1. Vacation Leave

- 27.1.1. Except as otherwise provided, regular full-time employees accrue vacation leave, beginning with the first day of employment, in accordance with the following schedule:

Years of Service	Hours-Biweekly	Hours-Annual
In years 0 through 4	3.08	80
In years 5 through 10	4.62	120
In year 11	4.93	128
In year 12	5.24	136
In year 13	5.54	144
In year 14	5.85	152
In year 15	6.16	160
In year 16	6.46	168
In year 17	6.77	176
In year 18	7.08	184
In year 19	7.39	192
In year 20 and over	7.69	200

- 27.1.2. Part-time employees accrue vacation leave on a pro-rata basis as set forth in applicable District Policy.

- 27.1.3. ~~Vacation leave begins after an employee has completed twenty-six (26) weeks of continuous service. After his/her first twenty-six (26) weeks of service, his/her account will be credited with forty (40) hours. After that time, they will accrue vacation hours consistent with the above chart.~~ Vacation leave may only be utilized in increments of one-half quarter hour or more. Vacation leave is accrued for all paid hours, including hours actually worked and hours in a paid-leave payroll status.
- 27.1.4. When unpaid absences occur, vacation leave accruals will be applied by straight proration of leave accruals based on the number of hours paid within the pay period, and is applicable to all types of leave, whether legally protected or not.
- 27.1.5. Annual Payoff. Employees may have a maximum accumulation of two hundred (200) hours as of the last day of the final pay period in December of each year. In the event an employee accrues vacation leave in excess of two hundred (200) hours, it must be used prior to said December date, all other remaining hours in excess of two hundred (200) will be paid to the employee in the first pay period in January at the employee's then current hourly rate of compensation.

27.2. Sick Leave

- 27.2.1. Definition. Sick leave is an insurance or protection provided by the District to be granted to employees in circumstances of adversity to promote the health and welfare of the individual employee. It is not an earned right to take time off from work. Sick leave is defined as the absence from duty of an employee because of a bona fide illness, injury, or pregnancy; to attend to the illness or injury of a family member as hereinafter defined: or, for an employee who is a victim of domestic violence, sexual assault, or stalking, for the purposes described in Labor Code sections 230(c) and 230.1(a). Temporary employees shall receive sick leave benefits as required by State law.
- 27.2.2. Method. - Sick Leave Accrual. Full-time employees hired prior to November 27, 1981, accrue paid sick leave at the rate of three and one-half (3.5) hours for each biweekly pay period of continuous service; ninety-one (91) hours per year. Full-time employees hired on or after November 27, 1981, accrue paid sick leave at the rate of three (3.0) hours for each biweekly pay period of continuous service; (seventy-eight (78) hours per year), beginning with the first day of employment.
- 27.2.3. Part-time employees accrue sick leave on a pro-rata basis as set forth in applicable District Policy.
- 27.2.4. When unpaid absences occur, sick leave accruals will be applied by straight proration of leave accruals based on the number of hours paid within the pay period, and is applicable to all types of leave, whether legally protected or not.
- 27.2.5. Annual Payoff. Employees may elect annually to be paid for any unused sick leave hours accrued through the ~~last pay period ending in~~ end of October at their current hourly rate according to the following payoff schedule.

Accrued Sick Leave Hours	Rate of Payoff
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0-100	0%
101-240	25%
241-560	35%
Over 560 (mandatory)	50%

- 27.2.6. Employees who terminate for any reason other than retirement or death will be compensated for any accrued and unused sick leave according to the above schedule. Employees who retire or decess with twenty (20) years or more of service will be paid at the one hundred percent (100%) rate for all accrued and unused sick leave. Employees who retire or decess with less than twenty (20) years of service will be paid at the seventy-five percent (75%) rate for all accrued and unused sick leave.
- 27.2.7. Permissible Uses. Sick leave may be applied only to:
- 27.2.7.1. Absence due to illness, injury or pregnancy of an employee.
 - 27.2.7.2. Absence due to medical and dental office appointments of an employee when approved by the employee's supervisor.
 - 27.2.7.3. Absence for the care of the employee's father, father-in-law, mother, mother-in-law, brother, sister, husband, wife, domestic partner, child, child of domestic partner, grandparent, grandchild, legal guardian, or family member with whom the employee resides.
 - 27.2.7.4. Absence due to a job-related injury.
 - 27.2.7.5. Absence related to an employee who is a victim of domestic violence, sexual assault, or stalking, for the purposes described in Labor Code sections 230(c) and 230.1(a).
- 27.2.8. General Provisions. To qualify for sick leave pay, the employee must notify the District at or in advance of the time the employee is scheduled to report for duty. Minimum charge to the employee's sick leave account will be one-~~quarter-half~~ (0.25) hour increments.
- 27.2.9. The Human Resources Department and department management will be responsible for controlling the abuse of the sick leave privilege. For absences of ten (10) consecutive working days or more, a request for leave and a medical statement, on prescribed forms, stating expected date of return must be submitted to the Human Resources Department. Upon return to work, a written doctor's release must be submitted to the Human Resources Department. For absences of one (1) or more working days in an unpaid status, a request for leave and a medical statement, on prescribed forms, stating expected date of return must be submitted to the Human Resources Department.
- 27.2.10. If the need for leave is due to the employee's serious health condition, as defined in the Family and Medical Leave Act ("FMLA") or the California Family Rights Act ("CFRA"), the certification requirement will comply with the provisions of these Acts.

- 27.2.11. Sick Leave Incentive Plan. If the average sick leave usage of employees in the Group is under forty (40) hours per year, calculated on annualized actual time off from October to October, based on the last pay periods ending in October, exclusive of catastrophic illness or injury requiring absence in excess of two hundred (200) hours or industrial injury leave in excess of eighty (80) hours, the annual payoff for unused sick leave will be as follows:

Accrued Sick Leave Hours	Rate of Payoff
0 – 100	15%
101 – 240	45%
241 – 560	60%
Over 560 (mandatory)	75%

27.3. Jury Duty Leave

- 27.3.1. Any full-time, including probationary, employee who is called for jury duty will be entitled to his/her regular pay for those hours of absence due to performance of the jury duty for a period up to twenty-two (22) working days.
- 27.3.2. Prior to jury duty service, employees must complete an online time off request form. To be entitled to receive regular pay for such jury leave, employees must report for work during their regularly scheduled work shift when they are relieved from jury duty service, unless there is less than one-half (½) of a regular shift remaining. Employees are not compensated for jury duty occurring on scheduled days off.
- 27.3.3. An employee serving jury duty must obtain an attendance slip from the court to be submitted to his/her supervisor with his/her timesheet in order to be eligible for regular pay for those hours of absence due to jury duty.

27.4. Witness Leave

- 27.4.1. Any full-time, including probationary, employee, who is required to be absent from work by a subpoena properly issued by a court, agency or commission legally empowered to subpoena witnesses, which subpoena compels his/her presence as a witness, except in a matter wherein he/she is named as a defendant or plaintiff or as an expert witness, will, upon approval of an online time off request, be entitled the time necessary to comply with such subpoena. An employee's regular pay will be reduced by the amount of witness leave pay received, exclusive of mileage.
- 27.4.2. An employee so subpoenaed must submit a copy of the subpoena to his/her supervisor and complete an online time off request form in order to be eligible for pay for such absence. To be entitled to receive regular pay for such witness leave, the employee must report for work at the District for time not actually retained on witness service of one (1) hour or more prior to and/or upon completion of each day's service, exclusive of travel time.

27.5. Military Leave

- 27.5.1. A request for military leave will be made upon leave-of-absence forms approved by the Human Resources Department and will state the date when it is desired to begin the leave-of-absence and the date of anticipated return. A copy of the orders requiring such military service will be submitted with the request.
- 27.5.2. Provisions of the Military and Veterans Code of the State of California, Sections 395-395.5 will govern military leave. In general, current law provides that an employee having one (1) year or more service with a public entity is entitled to military leave with pay not exceeding thirty (30) days per year if the employee is engaged in military duty ordered for purposes of active military training or encampment. An employee who is required to attend scheduled service drill periods or perform other inactive duty reserve obligations is entitled to military leave without pay, not exceeding seventeen (17) calendar days per year, although the employee may, at his or her option, elect to use vacation, administrative leave, or personal leave time to attend the scheduled reserve drill periods or to perform other inactive drill period obligations. Employees who participate in weekend military drill duty are not eligible for leave with pay for such activity, but may have their regular work schedule changed to accommodate the required time off.

27.6. Bereavement Leave

- 27.6.1. Any full-time employee, whether probationary or regular, shall receive a maximum of thirty-six (36) hours off with pay for the death or funeral of an immediate family member. Bereavement leave shall be used within six (6) months of the death of the immediate family member. Immediate family member is defined as the employee's father, step-father, father-in-law, mother, step-mother, mother-in-law, brother, step-brother, sister, step-sister, husband, wife, domestic partner, biological child, adopted child, step-child, child of a domestic partner, grandchild, grandparent, foster parent, foster child, legal guardian, or any family member with whom the employee resides. Employees must submit an online time off request form for approval by their supervisor. Employees may be required to furnish evidence satisfactory to the District of the family member's death and the employee's relationship to the deceased family member. Employees may submit requests for bereavement leave after the six (6) months to the Director of Human Resources or designee, who has the discretion to grant or deny such requests. Any denial of a request for the use of bereavement leave after the designated six (6) months is not grievable or otherwise subject to appeal.
- 27.6.2. Part-time employees are eligible for bereavement leave on a pro-rata basis as set forth in applicable District Policy.

27.7. Administrative Leave

- 27.7.1. Effective the first pay period in July, regular full-time employees in the Group shall be granted forty (40) hours of Administrative Leave. Employees who are hired or promoted into the Group shall be granted Administrative Leave on a pro-rata basis per the following schedule:

Hire Date	Percent
July - September	100%
October - December	75%
January - March	50%
April - June	0%

- 27.7.2. Administrative Leave will be administered in accordance with the following guidelines:
- 27.7.2.1. Administrative Leave may be used in one-quarter-(0.25) hour increments.
 - 27.7.2.2. Any unused Administrative Leave, within the fiscal year granted, will not be carried over to the next fiscal year.
 - 27.7.2.3. Any unused Administrative Leave, within the fiscal year granted, is not subject to cash out or eligible for any mandatory payout.
 - 27.7.2.4. Employees who cease to be part of the Group for any reason will forfeit any unused Administrative Leave.

ARTICLE 28. – LEAVE-OF-ABSENCE WITHOUT PAY

- 28.1. It is the policy of the District to grant employees leaves-of-absence without pay under certain circumstances and in accordance with state and federal benefit entitlement laws. Except as stated below, employees will not receive compensation during an unpaid leave-of-absence. Employees will not be granted an unpaid leave of absence prior to exhausting all paid leave accrual balances, excluding employees protected by PDL (Pregnancy Disability Leave)/FMLA (Family and Medical Leave Act)/CFRA (California Family Rights Act) for their own serious health condition.
- 28.2. Using the prescribed forms, approved by District management, any full-time, including probationary, or part-time employees with at least fifty-two (52) weeks of service and at least twelve hundred fifty (1,250) hours of service, may be granted an FMLA or CFRA leave-of-absence without pay, not to exceed twelve (12) weeks in a rolling twelve (12) month calendar period. A "rolling" twelve (12) month period is measured backward from the date the employee uses the leave. A request for leave of absence without pay must be made upon prescribed forms in all instances where an employee is absent without pay for more than five (5) consecutive working days, or for absences of ten (10) working days or more when using paid sick leave accruals.
- 28.3. Substitution of Paid Leave.
- 28.3.1. Employees who request FMLA or CFRA Leave for qualifying purposes other than the employee's own serious health condition will be required to use all accruals before unpaid leave is granted.

- 28.3.2. Vacation, administrative leave or personal leave accruals may be used for the care of the employee's father, step-father, father-in-law, mother, step-mother, mother-in-law, brother, step-brother, sister, step-sister, husband, wife, domestic partner, biological child, adopted child, step-child, foster child, legal ward, child of a domestic partner, grandchild, grandparent, foster parent, legal guardian, or any family member with whom the employee resides.

28.4. Permissible Uses

28.4.1. FMLA Leave. FMLA leave may be used for:

- 28.4.1.1. The birth of a child or to care for a newborn of an employee;
- 28.4.1.2. The placement of a child with an employee in connection with the adoption or foster care of a child;
- 28.4.1.3. The care for the employee's father, step-father, father-in-law, mother, step-mother, mother-in-law, brother, step-brother, sister, step-sister, husband, wife, biological child, adopted child, step-child, foster child, legal ward, child of a domestic partner, grandchild, grandparent, foster parent, legal guardian, or any family member with whom the employee resides, who has a serious health condition, as defined in the Act;
- 28.4.1.4. The employee's own serious health condition that renders the employee unable to perform the essential functions of his or her position, including incapacity due to pregnancy;
- 28.4.1.5. A qualifying exigency arising out of the fact that an employee's family member is on covered active duty or called to covered active duty status in the Armed Forces. A qualifying exigency may include activities such as making arrangements for childcare, attending counseling relating to the active duty of the service member, or attending to farewell or arrival arrangements for the service member;
- 28.4.1.6. The care for the employee's family member or "next of kin" service member of the United States Armed Forces who has a serious injury or illness incurred in the line of duty while on active military duty. This leave may consist of up to 26 weeks of unpaid leave during a single 12-month period.

28.4.2. CFRA Leave. CFRA Leave may be used for:

- 28.4.2.1. The same purposes as FMLA Leave, including the care of a domestic partner or child of a domestic partner, and will run concurrently with FMLA leave.
- 28.4.2.2. CFRA Leave may not be used for 1) an employee's incapacity due to pregnancy, 2) leave due to a qualifying exigency, or 3) to care for a family member or next of kin with a serious injury or illness incurred in the line of duty. However, incapacity due to pregnancy may entitle an employee to up to four (4) months of pregnancy disability leave under California's Pregnancy Disability Leave (PDL) law.

28.5. General Provisions

28.5.1. Requests for FMLA and CFRA Leave

28.5.1.1. Where the need for Leave is foreseeable, the District requests thirty (30) days advance notice.

28.5.2. Medical Certification

28.5.2.1. As a condition of FMLA or CFRA Leave because of a serious health condition, the District may require certification by the employee's attending physician in accordance with the Department of Labor (DOL) regulations.

28.5.3. Medical and Dental Premiums

28.5.3.1. During FMLA and CFRA Leave, the District will pay for medical and dental benefits at the same level as coverage would have been provided if the employee was not on leave. The employee will be required to pay his or her share of medical and dental premiums. Failure to submit a monthly co-payment, in full, within forty-five (45) days of the invoice date will result in loss of group coverage. Coverage will be reinstated upon return to active employment.

28.5.4. Reinstatement

28.5.4.1. Upon expiration of FMLA or CFRA Leave, the employee will be reinstated to the same or a comparable position unless the employee would not otherwise have been entitled to that position for reasons unrelated to such leave (e.g., lay-off), in which case the District's obligation to continue health and dental or other benefits will cease.

28.5.5. District Employment of Spouses/Domestic Partners

28.5.5.1. FMLA Leave Married employees will be limited to a combined total of twelve (12) weeks FMLA or CFRA Leave in a rolling twelve (12) month calendar period for the care of a parent or newly born or placed child.

28.5.5.2. CFRA Leave Married employees and employees in domestic partnerships will be limited to a combined total of twelve (12) weeks CFRA Leave in a rolling twelve (12) month calendar period for the care of a ~~parent or~~ newly born or placed child.

28.5.6. General Leave

28.5.6.1. Employees who have exhausted all paid time off accruals may request to be granted a general leave-of-absence by District management to attend to personal matters, or for FMLA or CFRA qualifying events after the expirations of previously authorized leave.

28.5.6.2. During a general leave-of-absence, the employee will be required to pay both the District's and the employee's share of

medical and dental premiums.

- 28.5.6.3. Failure to submit a monthly co-payment, in full, within forty-five (45) days of the invoice date will result in loss of group coverage. Coverage will be reinstated upon return to active employment.

28.5.7. Return to Work Policy

- 28.5.7.1. An employee who has been absent from work due to a medical reason may be subject to a Return-to-Work medical evaluation.
- 28.5.7.2. If it is determined that the job demands of the position last held by the employee are not compatible with the employee's restrictions (with reasonable accommodation if the employee is disabled within the meaning of the ADA/FEHA) and the employee is willing to return to work, placement in an alternative position, if available, will be considered. The employee will be re-classified as medically disqualified while alternative positions are being considered. Such time off will be without pay; however, the employee may elect to use accrued leave hours, such as vacation, sick or personal, to receive compensation. Placement of an employee in an alternative position requires a pre-placement medical evaluation for the alternative job.
- 28.5.7.3. If it is determined that the job demands of the position last held by the employee are not compatible with the employee's restrictions (and cannot be reasonably accommodated if the employee is disabled within the meaning of ADA/FEHA) and there is not an alternative position, or the employee's restrictions are not compatible with an alternative position, or the employee is not willing to return to work, the employee will be re-classified as medically disqualified and not permitted to work. Thereafter, the employee will be retired for disability, if eligible, or dismissed. Such dismissal will not imply disciplinary action for cause. If requested, the employee's file will indicate the employee left for personal reasons.

28.5.8. Bridge of Service

- 28.5.8.1. If an employee is dismissed per Section 28.5.7.3 and then is rehired to a position within the District within one (1) year, the District will bridge the employee's service date. Bridging of service procedures involve adding the total number of days away from work to the employee's original date of hire.

28.5.9. Failure to Return to Work

- 28.5.9.1. If, upon the expiration of FMLA or CFRA Leave, or any District-approved extension thereof including General Leave, an employee fails to return to work and no additional leave has been authorized, the employee will be considered to have automatically resigned from his/her position. In such cases, the employee will receive advance notification of the District's

intent to implement an automatic resignation.

28.5.10. Compliance with Law

28.5.10.1. These Leave-of-Absence provisions will be interpreted and applied in a manner that is consistent with the provisions of FMLA, CFRA, ADA and all other laws. In the event there is a direct conflict between these provisions, as written or applied, the provisions of law will govern.

ARTICLE 29. – CLASSIFICATION STUDIES

- 29.1. The law requires meet and confer over changes to wages, hours, and terms and conditions of employment; the District is committed to complying with the law.
- 29.2. An employee who believes his/her position is not properly classified may submit a written request to the Department Head asking that a classification study be conducted. The Department Head will acknowledge the request in writing and review the request for accuracy, and forward it to the Human Resources Department for consideration and response. Classification studies will only be conducted twice a year in November and during the budget process; therefore, classification study requests shall be submitted October 1st for the November review and according to the Finance budget schedule which normally requests all information by the end of February. District management may also conduct classification studies at their discretion to ensure that the duties and responsibilities of all employees are appropriately allocated within the classification structure.
- 29.2.1. All classification study findings regarding existing classifications are subject to approval by the General Manager; findings recommending a new job classification range are subject to approval by the District's Board of Directors. The recommendations of the classification study will be implemented in the first pay period immediately following the completion of the study unless the recommendations require action to be taken by the Board of Directors prior to implementation. In such event, the recommendations will be implemented in the first pay period immediately following authorization by the Board.
- 29.3. Y-Rating
- 29.3.1. In the event the duties and responsibilities of a position are allocated to a lower paid classification, the salary of the incumbent of that position will remain unchanged.
- 29.3.2. Y-rating will be granted for all reclassifications where employees are working in a job classification with a lower maximum rate of pay resulting from changes to the District's staffing requirements, organizational structure or "bumping" associated with layoffs. Y-rating shall not apply in cases involving disciplinary actions or voluntary changes to a job classification with a lower maximum rate of pay (unless otherwise authorized by the General Manager).
- 29.3.3. The Y-rate will remain in effect until the salary range for the new classification equals or exceeds the employee's Y-rated salary. Employees become eligible for merit increases and range adjustments when the Y-rate is no longer in effect.

ARTICLE 30. - DRIVER'S LICENSE

- 30.1. Employees who are required by the District to drive must notify their supervisor and the Risk Management Division immediately upon receipt of any suspension or revocation of their California Driver's License privileges. Failure to do so could result in disciplinary action up to and including separation.
- 30.2. If an employee whose license is suspended or revoked and is unable to perform his/her regular duties and responsibilities notifies the District in a timely fashion, an attempt will be made to place the employee in an equal or lower level position for which he/she is qualified. Placement in the range of the new classification is subject to District's management discretion.
- 30.3. The District will continue to pay the license renewals and physical examination costs of Class A and B licenses that are specifically required by the District.

ARTICLE 31. - LAYOFF PROCEDURE

- 31.1. If, in the sole discretion of District's management, personnel reductions are necessary, layoff order and recall lists will be developed based upon job classification, priority of function, job performance, individual qualifications and seniority. The Group and employees subject to lay off will be provided with at least two (2) weeks notification in writing whenever possible.
- 31.2. Employees in classifications subject to layoff may request a voluntary demotion to any previously held position for which they remain qualified. Such request must be made in writing to the Human Resources Department within five (5) days of receipt of the Layoff Notice. The salary of an employee who voluntarily demotes will be unchanged, except that it may not exceed the top step of the range for the lower level classification.
- 31.3. Recall lists will be developed for all classifications experiencing personnel reductions, and will be maintained for a period of two (2) years from the date of layoff. Individuals will be placed on the list in the inverse order of layoff, so that the last person laid off is the first recalled. When a vacancy occurs in a classification for which a Recall list exists, an offer of reemployment will be made to the individual on the top of the list. That individual must respond to the offer within five (5) days, or the offer will be made to the next person on the list. An individual who either does not respond or refuses three (3) consecutive offers will have his/her name removed from the list.
- 31.4. All notification and responses must be in writing and delivered either in person or by Certified Mail. It is the responsibility of all employees to keep the Human Resources Department informed of their current address, or where they may be contacted.

ARTICLE 32. - LIGHT DUTY

- 32.1. An employee who is released by a physician to perform limited duties because of a temporary disability may be assigned to light duty at the discretion of the District. Light duty may consist of duties other than those normally performed by the employee and that are within the employee's medical restrictions. An employee assigned to light duty will be paid the regular wage rate for the job classification to which he or she was assigned prior to being temporarily disabled.

ARTICLE 33. - MEDICAL EXAMINATION

- 33.1. When there is reasonable evidence to suggest that an employee is impaired in a manner that endangers his/her own health or safety, or that of others, the District may require that employee to be examined or evaluated by a health care provider. The purpose of such examination must be job related. Any examination under this provision will be conducted on District time and at District expense. An employee may submit an independent medical opinion regarding his/her condition and addressing his/her ability to competently perform the duties of the position. This information will be reviewed and considered by a competent medical authority in arriving at a decision regarding the individual's continued employment in the position.

ARTICLE 34. - MILEAGE ALLOWANCE

- 34.1. Approved use of a personal vehicle for District business will be reimbursed at the current IRS rate.

ARTICLE 35. - ACTING PAY

- 35.1. Employees who are assigned by District management to perform the duties of an open, budgeted position at a higher level for a period of at least one hundred (100) consecutive hours will be eligible for a one (1) step salary increase, or the first step of the range for the higher level classification, whichever is greater. The higher rate of pay begins with the 101st hour, and continues until the assignment ends or the six (6) month limitation has been reached at which time a determination will be made as to whether the position should or should not be posted. Requests for acting pay require the approval of the Department Head and the Human Resources Department. The one hundred (100)-hour eligibility period may be waived at the discretion of the General Manager. Time served in higher level assignments shall be credited as qualifying experience for promotional purposes.

ARTICLE 36.

(This article intentionally left blank.)

ARTICLE 37. - PERSONNEL FILES

- 37.1. Employees have the right to inspect their Personnel File in the Human Resources Department during the normal office hours of the Human Resources Department by appointment. Employees who wish to correct allegedly erroneous information in their file, or request that items related to disciplinary matters be removed after the indicated time period has elapsed, should submit a request in writing to the Human Resources Department. It is the responsibility of each employee to keep the personal information in his/her files current, including home address, telephone number and person to contact in an emergency.

ARTICLE 38. - BULLETIN BOARDS

- 38.1. The Group may use the bulletin boards located at Plant 1 and Plant 2 which are designated for use by employee Groups to post notices to District employees provided that: (a) no controversial matter which is critical or derogatory of the District, its employees, officers or Directors may be posted; (b) nothing posted by the District may be removed; (c) the Group will remove its notices after a reasonable length of time; and (d) only a reasonable number of notices will be posted.

ARTICLE 39. - RELEASE TIME FOR MEET AND CONFER SESSIONS

- 39.1. A maximum of three (3) employees covered by this Agreement and appointed by the Group will be granted reasonable release time for attending meet and confer sessions at the bargaining table. Release time will not be compensated for any hours that exceed the employee's regularly scheduled hours of work.
- 39.2. The Group will provide the Human Resources Department with the names of employees requiring meet and confer release time in advance of the meet and confer session. The release time will be granted provided that the needs of the District permit the time away from assigned work.

ARTICLE 40. - USE OF DISTRICT FACILITIES

- 40.1. District facilities may be used by the Group with prior notice to the Human Resources Department for the purpose of holding meetings, to the extent that such use does not interfere with normal District operations. The Group agrees to pay for the cost of any additional custodial or security services.

ARTICLE 41. - SCOPE OF BARGAINING

- 41.1. The District and the Group acknowledge that during the negotiations which resulted in this Agreement, each party had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects within the scope of representation. Therefore, the District and the Group, for the term of this Agreement, except as otherwise provided herein, each voluntarily and unqualifiedly waive the right, and each agrees that the other will not be obligated to bargain collectively with respect to any subject or matter contained in this Agreement.

ARTICLE 42. - IMPASSE PROCEDURES

- 42.1. If either the District or Group declares that an impasse exists in the meet and confer process, the party so declaring may initiate the impasse procedure by providing the other party with a written request for an impasse meeting, together with a statement of its position on all issues. An impasse meeting will be scheduled and held between the parties within fourteen (14) calendar days or as soon as practicable to:
 - 42.1.1. Review the position of the parties in a final effort to reach agreement on a memorandum of understanding, and if the impasse is not resolved, to discuss the immediate utilization of impasse procedures outlined herein.
- 42.2. Impasse Procedures are:
 - 42.2.1. Mediation: If the parties mutually agree to submit the dispute to the State Mediator and Conciliation Service all mediation proceedings will be private and as soon as practicable. The mediator will make no public recommendation, nor take any public position at any time concerning the issues.
 - 42.2.2. Fact-Finding: Whether the parties submit the dispute to mediation or not, the Group may request that the parties' differences be submitted to a factfinding panel as soon as practicable. The cost of a fact finder and other mutually incurred costs will be mutually shared by the District and Group.
 - 42.2.3. Board Actions: If the parties fail to resolve the impasse, the dispute will be sent to the District Board of Directors for resolution. Each party will

submit its written proposal on all issues to the Board. The Board may take such action to resolve the impasse as it deems appropriate to the public interest. Any action taken by the Board to resolve the impasse will be final and binding.

ARTICLE 43. - SEVERABILITY

- 43.1. Notwithstanding any other provisions in this Agreement, in the event that any article, section or subsection of this Agreement will be declared invalid by any court or by any state or federal law or regulation, or should a decision by any court or any state or federal law or regulation diminish the benefits provided by this Agreement, or impose additional obligations on the District, the District and the Group will meet and confer on the affected article, section or subsection. In such event, all other articles, sections or subsections of this Agreement not affected will continue in full force and effect.

ARTICLE 44. - UNIFORMS

- 44.1. The District will provide and maintain ten (10) uniform pants and shirts, which may include the name of the employee and District seal, at no cost to employees whose duties require that they wear uniforms. The District will also provide lab coats as required by the lab manager.
- 44.2. All employees who are issued uniforms must wear them during the performance of their regular duties. Other clothing appropriate to the occasion, as determined by District management, may be worn when attending business meetings. Failure to wear required clothing, shoes and safety equipment may be cause for disciplinary action.

ARTICLE 45. - SUBSTANCE ABUSE POLICY

- 45.1. The District's Substance Abuse Policy will apply to all Group members. The District and the Group agree to meet and confer for any proposed revisions to the policy. The District may adopt or implement rules, regulations and policies to be in compliance with federal and state laws. In such cases, notification will be provided to the Group prior to implementation.
- 45.2. Department of Transportation (DOT) Regulations
- 45.2.1. Every driver who operates a commercial motor vehicle in interstate or intrastate commerce, and is subject to the commercial driver's license requirements of the Department of Transportation, Federal Highway Administration CFR Part 382 is subject to the District's Anti-Drug and Alcohol Program. The District will ensure that all alcohol or controlled substances testing conducted under the Substance Abuse and Alcohol Misuse Plan complies with the procedures set forth in CFR Part 40.
- 45.3. District's Substance Abuse Policy:
- 45.3.1. Any employee may be subject to discipline, up to and including termination, for any alcohol screen test that indicates an alcohol concentration level of 0.02% or greater.

ARTICLE 46. – NEW EMPLOYEE ORIENTATION AND DUES DEDUCTIONS

46.1. ~~At monthly orientation meetings for new employees, a Group informational packet will be provided to those employees holding Group-represented positions. The informational packet will include Group contact information, a Group Payroll Deduction Authorization Form, and a transmittal indicating New Employee Orientation~~

46.1.1. ~~The Group will be allowed up to one (1) half-hour each orientation session to communicate with Group-represented classifications to explain the rights and benefits as set forth in this Agreement. Human Resources staff will send to the Group representative, or designee, a notice of each new employee orientation session. The notice will be provided with at least 10 days prior to the session, or as soon as practicable, and will include pertinent session details. Management representatives will not encourage or discourage Group membership participation;~~

46.1.2. ~~The District will hold new employee orientation sessions on a regular basis or at least on a quarterly basis, given there are new Group-represented classifications. If there are no new hires in the Group-represented classifications for a scheduled session, the District will notify the Group as soon as possible in advance of the session. The employee belongs to a classification represented by the Group;~~

46.1.3. ~~Human Resources staff will provide the Group with an electronic copy of the name, home address, personal email address, and personal cell phone number of all new Group-represented employees within 30 days of hire. The Group is the exclusive recognized employee organization for all employees in the Group; and~~

46.1.4. ~~Human Resources staff will provide the Group with an electronic copy of the name, home address, personal email address, and personal cell phone number of all Group-represented employees at least every 120 days. The employee may complete the Group Payroll Deduction Authorization Form and submit it to the Human Resources Department if he/she would like to join the group.~~

46.2. Dues Deductions

46.2.1. ~~Remittance of the aggregate amount of all dues and other proper deductions made from the salaries of employees covered hereunder shall be made to AFSCME along with an electronic report detailing the employee's name, employee number, bargaining unit, classification title and pay rate (which may be titled something else like level, step), work location, work phone, work e-mail, hire date, home address, home phone, home e-mail, cell phone, birthdate, gender, ethnicity, and deduction amount(s) and type(s).~~

~~46.1.5-46.2.2. The Group shall indemnify, defend and hold the District harmless against any liability from any claims, demands, or other action related to the District's deduction of Union Dues, including claims related to the Union's use of monies collected under these provisions. The District will deduct from each regular paycheck and remit to Group the dues, initiation fees and assessments for each employee who voluntarily authorizes such deduction in writing. Such authorizations must be filed by the end of the pay period prior to the period for which the deduction is requested.~~

46.2. ~~The District will provide the Group a quarterly list of the names of those employees~~

for whom it has made deductions. In addition, the District will provide the names of new employees and the names of employees who have terminated within the reporting period.

ARTICLE 47. – MAINTENANCE OF MEMBERSHIP

- 47.1. All employees who are members of the Group, or who become members of the Group, shall remain members of the Group, except that any employee may withdraw his/her membership by written notice to the Group and the District during the ten day period between ninety (90) and one hundred (100) days preceding the expiration of this agreement.

ARTICLE 48. – PEACEFUL RESOLUTION OF DISPUTES

- 48.1. During the term of this Memorandum, or any subsequent period when impasse resolution procedures are in progress or recommendations resulting from such procedures are being considered by the parties, the District agrees it will not lockout employees in this Group, and Group agrees that it will neither advocate, encourage or participate in any strike, including sympathy strike, or work stoppages, nor encourage employees to refrain in whole or in part from the full, faithful and proper performance of their duties of employment.

ARTICLE 49.

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ARTICLE 50. - WORKPLACE VIOLENCE AND WEAPONS POLICY

- 50.1. The District's Workplace Violence and Weapons Policy will apply to all Group members. The District and the Group agree to meet and confer for any proposed revisions to the policy.

ARTICLE 51. - RESIGNATION

- 51.1. Voluntary written resignation of employment with the District is automatically deemed irrevocable after seventy-two (72) hours from the District's receipt of the resignation except by approval of the Human Resources Department. The District may accept in writing any verbal or written resignation at any time and deem such resignation irrevocable.

ARTICLE 52.

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SIGNATURE PAGE

20196 – 202219
MEMORANDUM OF UNDERSTANDING
BETWEEN THE
ORANGE COUNTY SANITATION DISTRICT
AND THE
EMPLOYEES OF THE PROFESSIONAL GROUP

Executed: _____

PROFESSIONAL GROUP

ORANGE COUNTY SANITATION DISTRICT

Steve Koffroth, Business Representative,
AFSCME Council 36 (Affiliate of SPMG)

Laura ~~Drott~~ Kalty, ~~Lead~~Chief Negotiator

~~Luis Schmidt, Business Representative,
AFSCME Council 36 (Affiliate of SPMG)~~
~~Luis Schmidt, Business Representative,
AFSCME Council 36 (Affiliate of SPMG)~~

Marc Brown, Principal Staff Analyst

Celia Chandler, Director of Human Resources

~~Natasha Dubrovski, Principal Contracts
XXXAdministrator~~
~~Nicholas Oswald,
Maintenance Specialist~~

~~Laura Maravilla, Human Resources & Risk
Manager~~ ~~Andrew Nau, Principal Human
Resources~~ ~~Supervisor~~ ~~Analyst~~

Larry Roberson, Senior
~~Accountant~~~~Contracts Administrator~~

~~Andrew Nau, Human Resources Supervisor~~
~~Laura Maravilla, Human Resources & Risk
Manager~~~~Supervisor~~

~~Janine Aguilar~~~~Thys DeVries, Principal
SeniorPrincipal~~ Human Resources Analyst

~~Laurie Klinger~~Stephanie Barron, Senior
Human Resources Analyst

APPENDIX A

Medical Insurance Plan Design Components ^{1,2}				
CURRENT STATE				
Plan Design Component	PPO		High Deductible Health Plan	
	In-Network	Non-Network	In-Network	Non-Network
Deductible	\$150 / \$450		\$1,300 <u>1,350</u> / \$2,600 <u>2,700</u>	
Annual Out-of-Pocket Max/Member	\$2,000	\$3,000	\$2,500	\$5,000
Annual Out-of-Pocket Max/Family	\$4,000	\$6,000	\$5,000	\$10,000
Major Medical				
Physician Office Visit	\$15/Visit	30%	10%	30%
Specialist Office Visit	\$15/Visit	30%	10%	30%
Preventive Care	No Charge	30%	No Charge	Not Covered <u>30%</u>
Inpatient Hospitalization	10%	30% + \$500	10%	30% (up to \$1,000/day, non-emergency) + <u>\$500</u>
Outpatient Hospitalization/Surgery	10%	30%	10%	30% (up to \$350/admit)
Emergency Room	\$100 / Visit + <u>10%</u> (<u>copay</u> waived if admitted)		\$100 / Visit + <u>10%</u> (<u>copay</u> waived if admitted) \$100 / Visit (waived if admitted)	
Infertility Benefits	Not Covered		Not Covered	
Urgent Care	\$15/Visit	30%	10%	30%
Chiropractic	\$15 / Visit (30 visits/year)	30% (30 visits/year)	10% / Visit (30 visits/year)	30% / Visit (30 visits/year)
Opt-Out from Plan	Yes		Yes	Yes
Prescription Drugs	Generic / Brand / Non-Preferred Brand		Generic / Brand/ Non-Preferred Brand	Generic / Brand
Retail	\$5 / \$20 / \$35 (30-day supply)	Not Covered	\$10 / \$25 / \$40 after deductible (30-day supply)	Not Covered
Mail Order	\$5 / \$40 / \$70 (90-day supply)	Not Covered	\$20 / \$50 / \$80 after deductible (90-day supply)	Not Covered

¹ Plan Design Components will include any applicable mandated legislative changes.

² This is not a complete description of all benefit provisions. The information contained in Summary Plan Descriptions (SPDs) and Evidence of Coverage (EOC) booklets prevails.

Medical Insurance Plan Design Components^{1,2}
CURRENT STATE

Plan Design Component	Anthem HMO	Kaiser HMO	Kaiser Bronze
Deductible	None	None	\$5,000 Individual \$10,000 Family
Annual Out-of-Pocket Max/Member	\$1,500	\$1,500	\$6,250
Annual Out-of-Pocket Max/Family	\$3,000	\$3,000	\$12,500
Major Medical			
Physician Office Visit	\$15 / Visit	\$15/ Visit	\$60/ Visit
Specialist Office Visit	\$15 / Visit	\$15/ Visit	\$70/ Visit
Preventive Care	No Charge	No Charge	No Charge
Inpatient Hospitalization	\$100 Admit	\$100 Admit	30%
Outpatient Hospitalization/Surgery	\$50 Admit	\$15 Co-pay (per procedure)	30%
Emergency Room	\$100 / Visit (waived if admitted)	\$100 / Visit (waived if admitted)	\$300 / Visit (waived if admitted)
Infertility Benefits	Status Quo	Status Quo	Not Covered
Urgent Care	\$15 / Visit	\$15 / Visit	\$60 / Visit
Chiropractic	\$10-15 / Visit (30-60 visits/year) *	\$10 / Visit (30 visits/year)	Not Covered
Opt-Out from Plan	Yes	Yes	Yes
Prescription Drugs	Generic / Brand/ Non-Preferred Brand	Generic / Brand	Generic / Brand
Retail	\$5 / \$20 / \$35 (30-day supply)	\$5 / \$20 (30-day supply)	\$15 / \$50 medical deductible applies (30-day supply)
Mail Order	\$5 / \$40 / \$70 (90-day supply)	\$5 / \$20 (100-day supply)	\$30 / \$100 medical deductible applies (100-day supply)

¹ Plan Design Components will include any applicable mandated legislative changes.

² This is not a complete description of all benefit provisions. The information contained in Summary Plan Descriptions (SPDs) and Evidence of Coverage (EOC) booklets prevails.

* For chiropractic services through the American Specialty Health (ASH) Network, the copay is \$10 with a maximum of 30 visits in a calendar year for covered services.