



BIGHORN-DESERT VIEW WATER AGENCY

Our Mission - "To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate."

Finance/Public Relations/Education and Personnel

Standing Committee Meeting Agenda

Committee Members: Director McKenzie & Director Burkhart

BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92284

March 19, 2024
Time – 4:00 P.M.

PUBLIC AND BOARD WISHING TO PARTICIPATE REMOTELY
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CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

APPROVAL OF AGENDA

Discussion and Action Items - The Committee Directors and Staff will discuss the following items, and the Committee will consider taking action, if so inclined.

The Public is invited to comment on any item on the agenda during discussion of that item. When giving your public comment, please have your information prepared. If you wish to be identified for the record, then please state your name. Due to time constraints, each member of the public will be allotted three-minutes to provide their public comment.

- 1. Review Resolution No. 24R-XX Adopting the Employee Handbook for the Purposes of Establishing the Rules and Procedures for the Conduct of Personnel/Human Resources Matters – Update to Current Best Practices**

- 2. Discussion Item – Review Social Security Index Cost-of-Living Adjustment (COLA) for 2024 and Discuss Fiscal Year 2024/25 Cost-of-Living Adjustment to the Range and Step Scale for Staff and General Manager**
- 3. Consent Items** – The following items are expected to be routine and non-controversial and will be acted on by the Board at one time without discussion, unless a member of the Public or member of the Board requests that the item be held for discussion or further action.
 - a.** FPREP Committee Meeting Minutes **January 16, 2024**
 - b.** PARS January 2024 Statement
 - c.** PRISM Healthcare Market Update

Recommended Action:
Approve as presented.

4. Public Comment Period

Any person may address the Board on any matter within the Agency's jurisdiction on items not appearing on this agenda.

When giving your public comment, please have your information prepared. If you wish to be identified for the record, then please state your name. Due to time constraints, each member of the public will be allotted three minutes to provide their public comment. State Law prohibits the Board of Directors from discussing or taking action on items not included on the agenda.

- 5. Verbal Reports** - Including Reports on Courses/Conferences/Meetings.
 1. Committee Members' Comments/Reports
 2. General Manager's Report
 3. Assistant General Manager Report

6. Adjournment

In accordance with the requirements of California Government Code Section 54954.2, this agenda has been posted in the main lobby of the Bighorn-Desert View Water Agency, 622 S. Jemez Trail, Yucca Valley, CA not less than 72 hours if prior to a Regular meeting, date and time above; or in accordance with California Government Code Section 54956 this agenda has been posted not less than 24 hours if prior to a Special meeting, date and time above.

As a general rule, agenda reports or other written documentation have been prepared or organized with respect to each item of business listed on the agenda.

Copies of these materials and other disclosable public records in connection with an open session agenda item, are also on file with and available for inspection at the Office of the Agency Secretary, 622 S. Jemez Trail, Yucca Valley, California, during regular business hours, 8:00 A.M. to 4:30 P.M., Monday through Thursday. If such writings are distributed to members of the Board of Directors on the day of a Board meeting, the writings will be available at the entrance to the Board of Directors meeting room at the Bighorn-Desert View Water Agency.

Internet: Once uploaded, agenda materials can also be viewed at www.bdvwa.org

Public Comments: You may wish to submit your comments in writing to assure that you are able to express yourself adequately.

Per Government Code Section 54954.2, any person with a disability who requires a modification or accommodation, including auxiliary aids or services, in order to participate in the meeting, should contact the Board's Secretary at 760-364-2315 during Agency business hours.

**BIGHORN DESERT VIEW WATER AGENCY
FINANCE/ PUBLIC RELATIONS/PERSONNEL/EDUCATION
AGENDA ITEM SUBMITTAL**

Meeting Date: March 19, 2024

To: Board of Directors

Budgeted: N/A

Budgeted Amount: N/A

Cost: N/A

From: Marina D. West

General Counsel Approval: Obtained

CEQA Compliance: N/A

Subject: Review Resolution No. 24R-XX Adopting the Employee Handbook for the Purposes of Establishing the Rules and Procedures for the Conduct of Personnel/Human Resources Matters – Update to Current Best Practices

SUMMARY

The Finance/Personnel Committee (FPREP) is asked to review the changes proposed to the Employee Handbook submitted by the Agency's Special Counsel, Ms. Brett Overby, Liebert Cassidy Whitmore (LCW). These changes are intended to clarify language in the latest version of the handbook.

At the September 2023 Finance/Personnel (FPREP) Committee meeting the changes related to a discrepancy in vacation accruals, vacation accrual caps based on tenure and the manner in which the Agency will annually manage accrual payouts exceeding the individual caps were reviewed. However, this review led to additional questions from the Committee regarding conflicting language regarding the sick leave policy and sought clarification on the Board's role in resolving complaints.

Staff has reviewed the entire Employee Handbook to resolve the discrepancies and has summarized additional proposed changes herein and on the attached draft resolution.

Staff recommends the Committee review the proposed Resolution No. 24R-XX amending the Employee Handbook as recommended by legal counsel and agendize for full Board consideration.

RECOMMENDATION

That the Committee considers taking the following action(s):

1. Agendize adoption of Resolution No. 24R-XX Adopting the Employee Handbook for the Purposes of Establishing the Rules and Procedures for the Conduct of Personnel/Human Resources Matters.

BACKGROUND/ANALYSIS

Special counsel for personnel matters, Liebert Cassidy Whitmore's Ms. Brett Overby was consulted about a perceived discrepancy in the Employee Handbook, last updated in 2022. Counsel has advised staff that it is necessary to formally amend the handbook, by resolution, to clarify the conflicting language in Article 7.2 Vacations and Article 7.3 G.

Staff is recommending the Board adopt the Resolution which amend Article 7.2 Vacations to clearly specify that vacation time accruals are not forfeited once the cap is reached but are reduced through a payout in accordance with a specific formula. The specificity is necessary due to federal Internal Revenue Service rules concerning payout of accrued vacation and the fact that the benefit is specific to length of service and therefore, different accrual caps.

The Agency has always allowed a payout of excess vacation time but during the 2022 review it was discovered that federal law dictates how such processes are to be implemented.

It is necessary to formally amend the handbook, by resolution, to correct language in Article 7.3 G Sick Leave on Separation from Employment.

Staff is recommending restoration of the original language that was inadvertently deleted in the last revision as the entire article was revised and reorganized. The benefit of receiving payment for unused sick time beyond 200 hours is an incentive for the employee to accrue rather than utilize sick time.

Attached is Exhibit A, which contains details of the previous handbook language (Resolution No. 20R-21, current Employee Handbook language, which contains the conflicting statements (Resolution No. 22R-13) followed by the recommended language for Resolution No. 24R-XX.

The revised Employee Handbook is also attached with the revisions properly inserted into the text via "track changes" edit feature.

Other non-substantive changes include clarification or corrections:

1. Update to Article 3.8 Work Schedules to reflect the "4-10" workweek; and
2. Update to Article 4.5 Operations Standby, paragraph C, to update the "stand-by days" and to clarify that an employee on stand-by is subject to being called back to work. This minor addition was recommended by legal counsel; and
3. Update to Article 7.7 Bereavement Leave to add the term "reproductive loss event" as a qualifying event for bereavement (new state law); and
4. Update to Article 8.5 to clarify that the CalPERS Special Compensation calculation is based on fiscal year not calendar year to coincide with the actual CalPERS implementation date each year; and
5. Correction of several typos or grammatical errors within the document.

A full copy of the draft Employee Handbook is attached with the "track changes" feature to indicate the exact word changes being proposed.

Staff recommends the Personnel (FPREP) Committee review the proposed handbook changes and make a recommendation to forward to the full Board of Directors for their review and possible adoption.

PRIOR RELEVANT BOARD ACTION(S)

9/19/2023 Finance/Personnel (FPREP) Review proposed changes to Employee Handbook for future adoption.

8/9/2022 Motion No. 22-032 Adopt Resolution No. 22R-13 Adopting the Employee Handbook for the Purposes of Establishing the Rules and Procedures for the Conduct of Personnel/Human Resources Matters.

5/18/2022 Finance/Personnel Committee (FPREP) Review Proposed Changes to Employee Handbook Language provided by Agency Special Counsel Brett Overby, Liebert Cassidy Whitmore.

10/13/2020 Motion No. 20-064 Motion to adopt Resolution No. 20R-21 Adopting the Employee Handbook for the Purposes of Establishing the Rules and Procedures for the Conduct of Personnel/Human Resources Matters.

9/16/2020 Finance/Personnel Committee (FPREP) Review Proposed Changes to Employee Handbook Language Regarding Overtime Rate of Pay During Stand-by and Requirement for Response Time to Return to Work During Stand-by.

7/15/2020 Finance/Personnel Committee (FPREP) Review Proposed Changes to Employee Handbook Language to Conform to Requirements from Special Districts Risk Management Authority Regarding the Agency's Definition of a "Domestic Partner" and Discuss Increasing Safety Boot Allowance for Applicable Employee Positions.

4/28/2020 Motion No. 20-032 Resolution No. 20R-11 Adopting the Employee Handbook for the Purposes of Establishing the Rules and Procedures for the Conduct of Personnel/Human Resources Matters – One Amendment CalPERS Statutory Reportable Compensation: Uniform Allowance Defined.

EXHIBIT APREVIOUS Handbook Language (Resolution No. 20R-11)

7.2 VACATIONS

Vacation periods should be taken annually with the approval of the General Manager at such time as will not impair the work schedule or efficiency of the Agency but with consideration given to the well-being of the employee. No employee shall lose earned vacation leave time because of work urgency. If an employee has reached the maximum allowed unused balance and is unable to take vacation leave due to work urgency the employee shall be compensated for up to fifty percent (50%) of the accrued vacation balance with the remaining amount remaining available for use. Otherwise, employees are not allowed to “cash out” vacation.

7.3 SICK LEAVE

There is no limit on the amount of sick leave that may be accrued. Upon retirement or termination, an employee shall be entitled to payment for any accrued but unused sick leave in excess of 200 hours based on each two (2) hours of accrued sick leave being converted to one (1) hour of vacation leave or upon retirement unused accrued sick leave may be applied to the employee’s retirement service credit with the Public Employees Retirement System.

CURRENT Handbook Language (Resolution No. 22R-13)

7.2 VACATIONS

Paragraph inserted in 2022:

Paid vacation leave may not be used until it is earned. No employee may accrue more than the applicable maximum allowed unused balance set forth above. When an employee reaches the applicable maximum allowed unused balance, the employee shall cease earning paid vacation leave until their leave balance falls below the applicable maximum allowed unused balance.

Paragraph inserted in 2022 to address the IRS conditions for annual payout in excess of accrual caps:

On October 1 of each year, the Agency will automatically “cash out” accrued vacation leave in excess of the 320 hour cap for each employee who has accrued vacation leave in excess of the 320 hour cap. Otherwise, employees are not allowed to “cash out” vacation leave. Any employee separating from the Agency will be paid for any accrued unused paid vacation leave at their rate of pay at the time of separation.

7.3 SICK LEAVE

Unused sick leave is not cashed out upon termination, resignation, retirement, or other separation from employment. Unused sick leave may be converted to retirement service credits only as may be permitted under applicable retirement system laws and regulations as permitted by CalPERS.

PROPOSED Handbook Language (Resolution No. 24R-XX)

Amend Article 7.2 Vacations by modification of 4th paragraph to read:

Paid vacation leave may not be used until it is earned. When an employee exceeds the applicable maximum allowed unused balance, the employee's paid vacation leave will be paid put as set forth below.

Amend Article 7.2 Vacations by modification of 7th paragraph to read:

On October 1 of each year, the Agency will automatically "cash out" accrued vacation leave in excess of one-half of the *maximum allowed unused balance* for each employee who has accrued vacation leave in excess of their respective *maximum allowed unused balance*. Otherwise, employees are not allowed to "cash out" vacation leave. Any employee separating from the Agency will be paid for any accrued unused paid vacation leave at their rate of pay at the time of separation.

Amend Article 7.3 G Sick Leave on Separation from Employment by modification of paragraph to read:

Upon termination or resignation or retirement, an employee shall be entitled to payment for any accrued but unused sick leave in excess of 200 hours based on each two (2) hours of accrued sick leave being converted to one (1) hour of vacation leave.

In lieu of payment, unused sick leave may be converted to retirement service credits only as may be permitted under applicable retirement system laws and regulations as permitted by CalPERS.

Accrual Schedule – Has remained unchanged between versions

LENGTH OF SERVICE FROM BENEFIT DATE	ANNUAL VACATION ALLOWANCE	ACCRUAL RATE PER STRAIGHT TIME HOURS WORKED	MAXIMUM ALLOWED UNUSED BALANCE
Date of hire through 4 th year:	80 hours per year	.0385	160 hours
5 th year (1461 st day) through 10 th year (3650 st day):	120 hours per year	.0575	240 hours
11 th year (3651 st day) and thereafter:	160 hours per year	.0770	320 hours

RESOLUTION NO. 24R-XX

**RESOLUTION OF THE BOARD OF DIRECTORS
OF BIGHORN-DESERT VIEW WATER AGENCY
ADOPTING THE REVISED EMPLOYEE HANDBOOK FOR PURPOSES
OF ESTABLISHING THE RULES AND PROCEDURES
FOR THE CONDUCT OF PERSONNEL/HUMAN RESOURCE MATTERS**

WHEREAS, by Resolution No. 22R-13, the Board of Directors of the Bighorn-Desert View Water Agency ("Agency") adopted an updated and corrected Employee Handbook ("Employee Handbook") to govern and control the rules for employment of its employees and to specify the rules and procedures for the conduct of personnel/human resources matter pertaining to the Agency's staff; and

WHEREAS, the Employee Handbook previously adopted by Resolution 22R-13 is in need of a minor corrections following additional review by the Agency's personnel committee and personnel attorney and actions by the Board of Directors.

The amendment to the Employee Handbook specific to Article 3.8 Work Schedules:

1. Amend Article 3.8 Work Schedule by modification of first sentence to read: The Agency's office is normally open for business between the hours of 8:00 a.m. to 4:30 p.m., Monday through Thursday.

The amendment to the Employee Handbook specific to Article 7.2 Vacations:

1. Amend Article 7.2 Vacations by modification of 4th paragraph to read:

Paid vacation leave may not be used until it is earned. When an employee reaches the applicable maximum allowed unused balance, the employee's paid vacation leave will be paid put as set forth below.

2. Amend Article 7.2 Vacations by modification of 7th paragraph to read:

On October 1 of each year, the Agency will automatically "cash out" accrued vacation leave in excess of one-half of the *maximum allowed unused balance* for each employee who has accrued vacation leave in excess of their respective *maximum allowed unused balance*. Otherwise, employees are not allowed to "cash out" vacation leave. Any employee separating from the Agency will be paid for any accrued unused paid vacation leave at their rate of pay at the time of separation.

The amendment to the Employee Handbook specific to Article 7.3 Sick Leave:

1. Amend Article 7.3 G Sick Leave on Separation From Employment by modification of 1st and 2nd paragraphs to read:

Upon termination or resignation or retirement, an employee shall be entitled to payment for any accrued but unused sick leave in excess of 200 hours based on each two (2) hours of accrued sick leave being converted to one (1) hour of vacation leave.

In lieu of payment, unused sick leave may be converted to retirement service credits only as may be permitted under applicable retirement system laws and regulations as permitted by CalPERS.

Additional non-substantive changes include clarifications or corrections:

1. Update to Article 3.8 Work Schedules to reflect the “4-10” workweek; and
2. Update to Article 4.5 Operations Standby, paragraph C, to update the “stand-by days” and to clarify that an employee on stand-by is subject to being called back to work; and
3. Update to Article 7.7 Bereavement Leave to add the term “reproductive loss event” as a qualifying event for bereavement (new state law); and
4. Update to Article 8.5 to clarify that the CalPERS Special Compensation calculation is based on fiscal year not calendar year to coincide with the actual CalPERS implementation date each year; and
5. Correction of several typos or grammatical errors within the document.

WHEREAS, an amended Employee Handbook has been prepared and reviewed by the Board of Directors of the Agency.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Agency as follows:

1. That the appropriate Article(s) has been added or amended and referenced accurately elsewhere in the document; and
2. That the Appendices should be incorporated by reference only as they are standalone documents approved by the Board of Directors via separate and distinct resolution or motion; and
3. That the amended Employee Handbook shall apply to all Agency employees; and
4. That the amended Employee Handbook shall become effective immediately upon adoption of the Resolution; and
5. That Resolution No. 22R-13 is hereby rescinded and of no further force and effect; and

6. That the President and Secretary of the Board of Directors, the General Manager, and the Agency staff are hereby authorized and directed to take such further steps as are reasonable necessary and appropriate to implement this Resolution.

PASSED, APPROVED AND ADOPTED by the Board of Directors to Bighorn-Desert View Water Agency this XX day of XX 2024.

BY:

JoMarie McKenzie, Board President

ATTEST:

David Chapman, Board Secretary

Official Seal

BIGHORN-DESERT VIEW WATER AGENCY



EMPLOYEE HANDBOOK

ADOPTED AUGUST 9, 2022

REVISED XX XX, 2024

RESOLUTION NO. 24R-XX

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ARTICLE 1.0 GENERAL STATEMENTS

1.1 SHORT TITLE

This resolution shall be known as “The Bighorn-Desert View Water Agency Employee Handbook” (“Employee Handbook” or “Handbook”).

1.2 WORDS AND PHRASES

For the purpose of this Employee Handbook, all words used herein in the present tense shall include the future tense; all words used in the plural shall include the singular; all words used in the singular shall include the plural; and all words used in the masculine gender shall include the feminine gender and vice versa.

1.3 SEPARABILITY

If any section, article, clause, or phrase of this Employee Handbook is for any reason held to be invalid, such a decision shall not affect the validity of the remaining portions of this Employee Handbook.

1.4 EFFECTIVE DATE

This Employee Handbook shall become effective upon the date of its adoption and shall supersede all other Resolutions, Policies, or Ordinances in conflict with the Employee Handbook.

1.5 SUBSEQUENT REVISIONS

That the Board of Directors of the Agency may, by resolution duly passed upon the affirmative vote of the majority of the members of the Board of Directors, modify and amend the Employee Handbook at any time and from time to time.

ARTICLE 2.0 INTRODUCTORY POLICIES

2.1 INTRODUCTORY STATEMENT

This Employee Handbook sets forth the terms and conditions of the “at will” employment of all full and part-time employees. Individual written employment contracts may supersede some of the provisions of this Handbook, except for Section 3.1, At-Will Employment. This Handbook is designed to familiarize every employee with the Agency’s policies applicable to employees. Supervisors or managers can answer any questions employees may have.

2.2 INTEGRATION CLAUSE AND THE RIGHT TO REVISE

The Agency reserves the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this Handbook. All such revisions, modifications, deletions, or additions become effective immediately upon their adoption by the Agency Board of Directors. Any written changes to this Handbook will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this Handbook. This Handbook contains the terms and conditions of the employee’s “at will” employment. Nothing in this Employee Handbook, or any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. This Employee Handbook supersedes all prior employee handbooks and any other conflicting policies.

2.3 EQUAL EMPLOYMENT OPPORTUNITY

This Agency affords equal employment opportunity for all qualified applicants and employees to all terms of employment with the Agency, including, but not limited to, compensation, hiring, training, promotion, transfer, discipline, and termination. Agency policy prohibits unlawful discrimination against applicants and employees based on the applicant or employee’s race, color, religious creed, sex, marital status, age (40 and over), national origin, ancestry, physical or mental disability, medical condition, sexual orientation, gender, gender identity, gender expression, genetic information, military and veteran status, or any other basis protected by applicable federal, state or local laws. Any employee or applicant who believes they have experienced any form of employment discrimination or abusive conduct are encouraged to report the conduct immediately by using the complaint procedures provided in these Policies, or by contacting the Equal Employment Opportunity Commission (“EEOC”), or the Department of Fair Employment and Housing (“DFEH”).

2.4 EQUAL PAY ACT POLICY

The Agency follows all applicable state and federal laws requiring equal pay for employees who perform substantially similar work. Substantially similar work is work that is mostly similar in skill, effort, and responsibility, and performed under similar working conditions. The Agency prohibits paying an employee less than another employee of the opposite sex, of another race, or of another ethnicity who is performing substantially similar work. The Agency prohibits retaliation against any employee who invokes or assists in the enforcement of the Equal Pay Act. The Agency further prohibits retaliation against employees for inquiring about or discussing wages.

If employees believe they are not being paid the same wage as other employees engaged in substantially similar work of a different race, ethnicity or sex, or they are being retaliated against for inquiring about or discussing wages, they should report any concerns to the General Manager.

2.5 POLICY AGAINST HARASSMENT, DISCRIMINATION, AND RETALIATION

A. Policy Statement

The Agency strictly prohibits harassment, discrimination, and retaliation because of an individual's protected classification. Protected classification includes sex, gender, sexual orientation, gender identity, gender expression, genetic information, race, color, ancestry, national origin, religious creed, physical disability, mental disability, medical condition, age (40 and over), marital status, military and veteran status, or any other basis protected by law. This policy prohibits harassment, discrimination, or retaliation for the following reasons: (1) an individual's protected classification; (2) the perception that an individual has a protected classification; or (3) the individual associates with a person who has or is perceived to have a protected classification.

B. Application

1. Scope of Policy

This policy applies to all terms and conditions of employment, internships, and volunteer opportunities, including, but not limited to, recruitment, selection, testing, hiring, placement, upgrading, promotion/demotion, transfer, layoff, recall, disciplinary action, termination, rates of pay, leave of absence, benefits, and training.

2. Covered Individual

This policy applies to all applicants for employment at the Agency; all elected or appointed officials of the Agency; all interns, volunteers, and contractors; and all employees of the Agency regardless of rank or title, including, but not limited to, full- and part-time employees, per diem employees, temporary employees, and persons working under contract for the Agency.

C. Purpose

The Agency is committed to preventing harassment, discrimination, and retaliation in the workplace. The Agency has zero tolerance for any conduct that violates this policy. Conduct need not violate either federal or state law in order to constitute a violation of this policy. A single act by an Agency employee may constitute a violation of this policy and provide sufficient grounds for the Agency to discipline the employee. This policy establishes a complaint procedure by which the Agency will investigate and resolve complaints of harassment, discrimination, and retaliation by and against Agency covered individuals. The Agency encourages all covered individuals to report any conduct that they believe violates this policy as soon as possible. The Agency expressly prohibits any retaliation against an employee because they filed or supported a complaint or because they participated in the investigation or complaint resolution process. Individuals found to have retaliated against an employee in violation of this policy will be subject to appropriate sanction or disciplinary action, up to and including termination.

D. Protected Activity

This policy prohibits harassment, discrimination, and retaliation because of an individual's protected activity. Protected activity includes, but is not be limited to, the following: (1) making a request for an accommodation for a disability; (2) making a request for accommodation for religious beliefs; (3) making a complaint under this policy; (4) opposing violations of this policy; or (5) participating in an investigation under this policy.

E. Harassment Defined

This policy prohibits harassment of a covered individual because of the individual's actual or perceived protected classification. Harassment includes, but is not limited to, the following conduct:

1. Verbal acts, such as derogatory, offensive or inappropriate speech, such as epithets, slurs or stereotypical comments, or verbal propositions made on the basis of the individual's protected classification. This includes, but is not limited to, comments, stories, and jokes about appearance, dress, physical features, gender identification, and race.

2. Physical acts, such as assault, impeding or blocking movement, offensive touching, or physical interference with normal work or movement. This includes, but is not limited to, pinching, grabbing, patting, or making explicit or implied job threats or promises in return for submission to physical acts.
3. Visual acts, such as derogatory, offensive or inappropriate, posters, cartoons, emails, pictures or drawings related to a protected classification.
4. Unwanted sexual advances, requests for sexual favors and other acts of a sexual nature, where submission is made a term or condition of employment, where submission to or rejection of the conduct is used as the basis for employment decisions, or where the conduct is intended to or actually does unreasonably interfere with an individual's work performance or create an intimidating, hostile, or offensive working environment.

F. Discrimination Defined

This policy prohibits treating a covered individual differently and adversely because of the individual's actual or perceived protected classification; because the individual associates with a person who is or is perceived to be a member of a protected classification; or because the individual participates in a protected activity as defined in this policy.

G. Retaliation Defined

Retaliation occurs when an employer takes adverse action against a covered individual because of the individual's protected activity as defined in this policy. "Adverse action" may include, but is not limited to, the following actions: (1) disciplinary action; (2) counseling; (3) taking sides because an individual has reported harassment or discrimination; (4) spreading rumors about a complainant or about someone who supports or assists the complainant or who participates in the investigation; (5) shunning or avoiding an individual who reports harassment or discrimination; or (6) making real or implied threats of intimidation to prevent or deter an individual from reporting harassment or discrimination.

H. Complaint Procedure

1. Proactive Approach

The Agency takes a proactive approach to potential policy violations and will conduct an investigation if its supervisory or management employees become aware that harassment, discrimination or retaliation occurred or may be occurring, regardless of whether the recipient or third party reports a potential violation.

2. Internal Reporting Procedure

A covered individual who believes they have been subjected to harassment, discrimination, or retaliation in violation of this policy may make a complaint, either orally or in writing, to any supervisor, manager, or the General Manager, without regard to any chain of command.

Additionally, any supervisors or managers who receive a complaint of, observe, or otherwise become aware of harassment, discrimination, or retaliation in violation of this policy, should immediately report it, preferably in writing, to the General Manager.

3. External Reporting Procedure

A covered individual who believes they have been subjected to harassment, discrimination, or retaliation may file a complaint with the Equal Employment Opportunity Commission ("EEOC") and/or the California Department of Fair Employment and Housing ("DFEH"). These administrative agencies provide a complaint process as well as certain legal remedies if the applicable agency determines that a violation of the law occurred. The nearest EEOC and DFEH offices are listed on the internet and in the phone book under government agencies. Employees may also check the posters that are located on Agency bulletin boards for EEOC and DFEH office locations and telephone numbers.

I. Internal Complaint and Investigation Procedure

Upon receiving notification of a complaint regarding harassment, discrimination, or retaliation, the General Manager or a qualified internal or outside investigator designated by the General Manager will complete the following steps:

1. Provide the complainant with a copy of this policy, and notify the complainant in a timely manner that their complaint has been received and will be investigated.
2. Authorize and supervise a fair, timely, and thorough investigation of the complaint and/or investigate the complaint. The investigation will usually include interviews with the following individuals: (1) the complainant; (2) the accused (e.g., the subject of the investigation); (3) witnesses to the conduct at issue in the complaint; and (4) other persons

who have relevant knowledge concerning the allegations in the complaint.

3. Review the factual information gathered during the investigation to determine whether the alleged conduct violated the policy giving consideration to all factual information, the totality of the circumstances, including the nature of the conduct, and the context in which the alleged incidents occurred.
4. Prepare a summary report of the determination as to whether the conduct violated this policy and provide such report to the Board of Directors.
5. If conduct in violation of this policy occurred, take or recommend to the appointing authority prompt and effective remedial action. The remedial action will be commensurate with the severity of the offense. If discipline or sanctions are imposed, the level of discipline or sanctions will not be communicated to the complainant.
6. Notify complainant and accused of the completion of the investigation and the results of the investigation in general terms.
7. Take reasonable steps to protect the complainant from further harassment, discrimination, and/or retaliation.

In the event the harassment, discrimination, or retaliation complaint is against the General Manager, the Board of Directors shall be responsible for oversight of the investigation.

J. Confidentiality

All records and information relating to the investigation of any alleged harassment and resulting disciplinary action shall be confidential, except to the extent disclosure is required by law, as part of the investigatory or disciplinary process, or as otherwise reasonably necessary.

The Agency will make every effort to assure the confidentiality of complaints made under this policy to the greatest extent allowed by law. However, complete confidentiality may not be possible because of the Agency's need to investigate the complaint and the due process rights of the subject of the complaint.

The Agency expressly prohibits an employee who is interviewed during the course of an investigation from attempting to influence other employees, including employees who

may have witnessed the underlying conduct at issue, while the investigation is open and ongoing.

An employee may discuss their interview with a designated representative the employee's legal representative. The Agency will not disclose a completed investigation report except as it deems necessary to support a disciplinary action, to take remedial action, to defend itself in adversarial proceedings, or to comply with the law or court order.

K. Employee Responsibilities

Each non-supervisor or non-manager employee is responsible for the following:

1. Treating all individuals in the workplace or on Agency worksites with respect and consideration.
2. Modeling behavior that conforms to this policy.
3. Participating in periodic trainings on personnel matters.
4. Cooperating with the Agency's investigations pursuant to this policy by responding fully and truthfully and in a timely manner to all questions posed during the investigation.
5. Taking no actions to influence the complainant or any potential witness while the Agency's investigation is ongoing.
6. Reporting any act they believes in good faith constitutes harassment, discrimination, or retaliation as defined in this policy, to their immediate supervisor or manager, any supervisor or manager, or the General Manager.

In addition to the responsibilities listed above, each manager and supervisor employee is responsible for the following:

1. Informing employees under their supervision of this policy.
2. Taking all steps necessary to prevent harassment, discrimination and, retaliation from occurring, including, but not limited to, monitoring the work environment and taking immediate and appropriate action to stop violations (e.g., removing inappropriate pictures or correcting inappropriate language).

3. Receiving and responding to complaints in a uniformly fair and serious manner.
4. Documenting the steps taken to resolve such complaints.
5. Following up with those who have complained to confirm that the offensive conduct about which they complained has stopped and that there have been no reprisals or retaliation or threats of reprisals or retaliation.
6. Informing those who complain about harassment, discrimination, and/or retaliation of their option to contact the EEOC or DFEH and file a complaint about such activity.
7. Assisting and/or advising employees regarding this policy.
8. Assisting in the investigation of complaints involving subordinate employee(s).
9. Where a complaint is substantiated, assisting in the development of a recommendation concerning an appropriate corrective or disciplinary action in accordance with these policies.
10. Implementing appropriate corrective or disciplinary actions.
11. Reporting potential violations of this policy to the General Manager, regardless of whether an employee complained about such conduct.
12. Scheduling employees for training.

2.6 REASONABLE ACCOMMODATION

Absent undue hardship or direct threats to the health and safety of employee(s), the Agency provides employment-related reasonable accommodations to the following employees and applicants for employment:

1. Qualified individuals with disabilities, both applicants and employees, to enable them to perform essential job functions;
2. Employees with conditions related to pregnancy, childbirth, or a related medical condition, if she so requests, and with the advice of her health care provider;

3. Employee victims of domestic violence, sexual assault, or stalking to promote the safety of the employee victim while at work; and
4. Employees who request reasonable accommodation to address a conflict between religious belief, practice, or observance and any employment requirement.

A. Reasonable Medical Documentation and Certification

1. For a Reasonable Accommodation

If the disability or the need for reasonable accommodation is not obvious, the Agency may require the individual requesting such accommodation to provide reasonable medical documentation confirming the existence of the disability and the need for reasonable accommodation, along with the name and credentials of the individual's health care provider. If the individual provides insufficient documentation, the Agency will do the following: (1) explain the insufficiency of the documentation provided; (2) allow the employee or applicant to supplement the documentation in order to remedy the issue with the documentation provided; and (3) pursue the interactive process only to the extent that the request is consistent with the documentation provided.

2. For a Reasonable Accommodation or Transfer Due to Pregnancy or Related Conditions

If a pregnant employee, or an employee with a pregnancy-related condition, requests a reasonable accommodation or transfer due to pregnancy, the Agency will provide the employee with notice of the need for a medical certification within two (2) business days after the employee's request for accommodation. A medical certification confirming the need for a reasonable accommodation, including transfer, is sufficient if it contains: (1) a description of the requested accommodation or transfer; (2) a statement describing the medical advisability of the accommodation or transfer due to pregnancy; and (3) the date that the need for the accommodation or transfer will become necessary and the estimated duration of the accommodation or transfer.

3. For a Victim of Domestic Violence, Sexual Assault, or Stalking

An employee who is a victim of domestic violence, sexual assault, or stalking and who requests an accommodation to provide for their safety while at work must provide both of the following:

- A written statement signed by the employee or an individual acting on the employee's behalf, to certify that the accommodation is to address victim-safety concerns while at work; and
- A certification demonstrating the employee's status as a victim of domestic violence, sexual assault, or stalking, which can be in the form of: (a) a police report indicating the employee's victim status; (b) a court order separating the perpetrator from the employee or that the employee has appeared in court for that purpose; or (c) documentation from a medical professional or counselor that the employee is undergoing treatment for physical or mental injuries or abuse resulting from an act of domestic violence, sexual assault, or stalking.

1. Fitness for Duty Examinations: Authorization for Use of Medical Information

During the course of a fitness for duty examination, the Agency will not seek or use information regarding an employee's medical history, diagnoses, or course of treatment without an employee's written authorization.

1. Fitness for Duty Examinations: Applicants

After the Agency extends a conditional offer of employment to an applicant, the Agency may require the applicant to submit to a fitness for duty examination that is job-related, necessary for efficient operations of the agency, and required of all applicants for the job classification. The Agency will notify an applicant or employee who is required to pass a medical and/or psychological examination of their right to obtain a second opinion at their expense and that they may submit such second opinions for consideration.

2. Fitness for Duty Examinations: Current Employee

The General Manager may require an employee to submit to a fitness for duty examination in order to determine whether the employee has a disability and is able to perform the essential functions of their job when there is significant evidence of the following:

- The employee's ability to perform one or more essential functions of their job has declined; or
- Could cause a reasonable person to question whether an employee is still capable of performing one or more of their essential job duties, or is still capable of performing those duties in a manner that does not harm themselves or others.

3. Fitness for Duty Examinations: Role of Health Care Provider

The Agency may request the applicant's or employee's health care provider to conduct a fitness for duty exam on the applicant or employee, or may request an Agency-selected health care provider to do so at the Agency's expense. The Agency will allow an employee paid time off to attend the exam. The Agency will provide the health care provider with a letter requesting a fitness for duty examination and a written description of the essential functions of the job. The examination will be limited to determining whether the applicant or employee can perform the essential functions of their position and any work restrictions and/or functional limitations that apply to the applicant or employee. The health care provider will examine the employee and provide the Agency with non-confidential information regarding whether:

- The applicant or employee has a disability within the meaning of the FEHA;
- The applicant or employee is fit to perform essential job functions;
- Workplace restrictions or functional limitations apply to the applicant or employee, and the duration of the work restrictions or functional limitations;
- There are any reasonable accommodations that would enable the employee to perform essential job functions; and
- The employee's continued employment poses a threat to the health and safety of themselves or others.

Should the health care provider exceed the scope of the Agency's request and provide confidential health information, without valid consent of the applicant or employee, the Agency will return the report to the health care provider and request another report that includes only the non-confidential fitness for duty information that the Agency has requested.

4. Fitness for Duty Examinations: Medical Information from the Employee or Applicant

If an employee or applicant submits medical information to the Agency from their own health care provider, the General Manager will not forward that information on to the health care provider who conducted the examination for the Agency, without the employee or applicant's written authorization. Upon receipt of the written authorization, the General Manager will request the Agency-paid health care provider to determine whether the information alters the original fitness for duty assessment.

2. Interactive Process

After the occurrence of any of the above-stated circumstances that trigger the need to conduct an interactive process meeting, the General Manager will promptly arrange for a discussion or discussions, in person or via conference telephone call, with the applicant or employee and their designated representative, if any. The purpose of the interactive communications will be to discuss in good faith all feasible potential reasonable accommodations. The General Manager will document these communications in writing. The General Manager will initiate the interactive process when:

- An applicant or employee with a known physical or mental disability or medical condition requests reasonable accommodation(s);
- The Agency otherwise becomes aware of the need for an accommodation through a third party (e.g., a doctor's note requesting an accommodation), or by observation of the employee's work;
- The Agency becomes aware of the possible need for an accommodation because the employee with a disability has exhausted workers' compensation leave, California Family Rights Act leave, or other leave rights, but the employee and/or the employee's health care provider indicate that further accommodation is still necessary for recuperative leave or other accommodation;
- An employee disabled by pregnancy, childbirth or related medical conditions requests a reasonable accommodation or transfer based on the advice of her health care provider;
- An employee with a physical or mental disability, regardless of cause, fails to return to work following pregnancy disability leave;
- An employee-victim of domestic violence, sexual assault, or stalking requests a reasonable accommodation(s) for their safety at work;
- An employee requests an accommodation to address a conflict between religious belief, observance, or practice and any employment requirement; or
- An employer is aware of the need for a reasonable accommodation for an employee's or applicant's religious beliefs, observance or practices.

3. Potential Accommodations for Applicants or Employees with Disabilities

Depending on the facts of each case, the interactive process analysis will generally begin with a review of possible reasonable accommodations that would enable the individual to retain their current job. The process will generally then move on to possible reasonable accommodations in other vacant jobs, for which the individual is qualified, if there is no reasonable accommodation in the current job that does not cause undue hardship, or that does not present a risk of harm to the individual or others. The Agency will consider accommodations that the applicant or employee suggests, but has the right to select and implement any reasonable accommodation that it deems effective. The range of potential reasonable accommodations includes, but is not limited to, the following:

- Making existing facilities used by employees readily accessible to, and usable by, individuals with disabilities, including, but not limited to, the following: acquisition or modification of equipment or devices; adjustment or modifications of examinations, training materials or policies; and/or the provision of qualified readers or interpreters;
- Job restructuring;
- Part-time or modified work schedules;
- Paid or unpaid leave of absence of a finite duration that is likely to enable the employee to return to work at the end of the leave;
- Preferential consideration to reassignment to a vacant, comparable position, except when such preference would violate a bona fide seniority system;
- Reassignment to a vacant lower-paid position if there is no funded, vacant comparable position for which the individual is qualified for; or
- Reassignment to a temporary position, if the individual agrees.

4. Potential Accommodations for Employees Affected by Pregnancy and Related Medical Conditions

Depending on the facts of each case, the interactive process will attempt to identify and implement a reasonable accommodation that is consistent with the medical certification applicable to the applicant or employee. Whether an accommodation is reasonable is a case-by-case analysis that takes into account several factors, including, but not limited to: the employee's medical needs; the duration of the needed accommodation; and the employer's legally permissible past and current practices. The range of potential accommodations includes, but is not limited to, the following:

- Transfer to a less strenuous or hazardous position for the duration of the pregnancy;
- Change in or restructuring of work duties, such as modifying lifting requirements;
- Providing more frequent breaks;
- Providing seating;
- Time off for medical appointments; and
- Transfer temporarily to a job with equivalent pay and benefits that the employee is qualified to perform in order to accommodate reduced work schedule or intermittent leave. However, a reduction in work hours may be considered a form of pregnancy disability leave and deducted from the employee's four (4) month pregnancy disability leave entitlement.

5. Potential Accommodations for Employee-Victims of Domestic Violence, Sexual Assault, or Stalking

Depending on the facts of each individual case, the interactive process analysis will review all possible accommodations that would enhance the safety of the employee victim at work. In determining what accommodation is reasonable, the Agency will consider the exigent circumstance or danger facing the employee. The Agency will consider the preferences of the employee to be accommodated, but has the right to select and implement any accommodation that it deems effective. The range of potential safety measure accommodations includes, but is not limited to, the following:

- Transfer, reassignment, modified schedule;
- Change in work telephone number;
- Change in location of work station;
- Installation of locks;
- Assistance in documenting domestic violence, sexual assault, stalking, or a crime that occurs in the workplace;
- The implementation of a safety procedure(s);
- Adjustment to job structure, workplace facility, or work requirement; and

- Referral to a victim assistance organization.

6. Potential Accommodations for Religious Creed, Religious Dress Practice, or Religious Grooming Practice

Depending on the facts of each case, the interactive process analysis will review all possible accommodations that would resolve the conflict between the religious belief, practice, or observance and any employment requirement. The Agency will consider the preference of the employee or applicant, but has the right to select and implement any accommodation that it deems effective. The range of potential accommodations includes, but is not limited to, the following:

- Job restructuring or job reassignment (but not segregation from other employees or the public);
- Modification of work practices, including dress or grooming;
- Allowing time off in an amount equal to the amount of non-regularly scheduled time the employee has worked in order to avoid a conflict with their religious observances; and
- Allowing alternatives to union membership or payment of union dues.

7. Determination

After the interactive process communications, the General Manager will review the information received, and determine: whether all available information has been reviewed; whether all potential accommodations that the applicant or employee has suggested have been considered; whether additional discussions with the applicant or employee would be helpful; whether the applicant's or employee's preferences have been taken into account; if there is a reasonable accommodation that would enable the applicant or employee to perform essential job functions without harming themselves or others; and if the accommodations would pose an undue hardship on the Agency finances or operations. The General Manager will inform the applicant or employee of their determination in writing. The General Manager will use their discretion based upon the particular facts of each case.

8. Access to Medical Information Regarding Fitness for Duty

Medical records and information regarding fitness for duty, or the need for an accommodation, will be maintained separately from non-medical records and information. Medical records and information regarding fitness for duty and the need for

accommodation will be accessible only by the General Manager, the General Manager's legal counsel, first aid and safety personnel in case of emergency, and supervisors who are responsible for identifying reasonable accommodations. Medical records and information contained therein may be released pursuant to federal and state law.

ARTICLE 3.0 EMPLOYMENT POLICIES AND PRACTICES

3.1 AT-WILL EMPLOYMENT

Agency personnel are employed on an at-will basis (only employees hired prior to December 20, 2005, are not “at will”). This means that employment may be terminated with or without cause, and with or without notice, at any time by either the employee or the Agency. Nothing in this Handbook shall limit the right to terminate at-will employment, with or without cause, or prior notice. No individual Board member, manager, supervisor, or employee of the Agency has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than “at-will” employment. Only the General Manager of the Agency has the authority to make an agreement for other than “at-will” employment, which is binding on the Agency only if it is in writing and approved by the Board of Directors.

3.2 NEW HIRES

After an offer of employment has been made and prior to the commencement of employment duties, a prospective employee for any position with the Agency may be examined by a medical doctor, designated by the Agency, to determine the prospective employee’s ability to perform the physical activity requirements of the job. Additionally, the Agency will require prospective employees to submit to and pass a drug and/or alcohol screening test at the time of the physical examination if they will be assigned to a “safety-sensitive” position as set forth in Section 5.2, the Agency Drug and Alcohol Policy.

Upon successful completion of the required physical examination, the supervisor of each newly hired employee will administer an orientation process. The orientation process is designed to familiarize each newly hired employee with the Agency’s practices, policies, and benefit plans. It includes their initial safety training, initial job training, the completion of required forms and documents, and any other job related information. A checklist of the topics covered in the orientation process must be completed by the newly hired employee, signed by the employee and their supervisor, and will be maintained as part of the employee’s personnel records.

The first ninety (90) days’ of continuous employment at the Agency is considered a probationary training period (“Training Period”). During the Training Period, training employees do not accrue and are not eligible for benefits described in this Handbook, unless required by law. During this time, employees will learn their job responsibilities and get acquainted with fellow employees and surroundings. Also, during this time, supervisors will closely monitor the training employees’ job performance. Upon completion of the Training Period, the General Manager will review the employee’s overall

job performance. Completion of the Training Period does not entitle an employee to remain employed by the Agency for any defined period of time as employment is "at will". Both employee and the Agency are free, at any time, to end the employment relationship during or after the Training Period, consistent with employee's at-will employment. After completion of the Training Period, eligible employees will receive the benefits described in this Handbook, unless previously required by law.

3.3 REGULAR EMPLOYEES

Employees who have successfully completed their Training Period shall be known as "regular" employees. Such employees may be either full-time or part-time. The distinction between full-time and part-time depends upon the number of hours that an employee works per workweek.

3.4 REGULAR FULL-TIME EMPLOYEES

Regular full-time employees are those normally scheduled to work 40 hours per workweek. Following the completion of the Training Period, regular full-time employees are eligible for the employee benefits described in this handbook, unless previously required by law.

3.5 REGULAR PART-TIME EMPLOYEES

Regular part-time employees may be assigned a work schedule in advance or may work on an as-needed basis. Regular part-time employees are eligible for employee benefits only as expressly provided for in this Handbook.

3.6 TEMPORARY EMPLOYEES

Temporary employees are those employed for short-term assignments. Temporary employees are not eligible for employee benefits except where mandated by applicable law. The physical examination for temporary employees may be waived by the General Manager.

3.7 JOB DUTIES

During the Training Period, a co-worker and/or supervisor will be assigned to explain the job responsibilities and the performance standards expected of the newly hired. (See Appendix A - Job Classification Descriptions). Within the parameters of the job classification, the employee's job responsibilities may change at any time during employment. From time to time, employees may be asked to work on special projects or to assist with other work necessary or important to the operation of the Agency. The

employee's cooperation and assistance in performing such additional work is an expected job responsibility. The Agency reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities for any employee.

3.8 WORK SCHEDULES

The Agency's office is normally open for business between the hours of 8:00 a.m. and 4:30 p.m., **Monday through Friday**~~Thursday~~. The General Manager will assign the employee's work schedule. All employees are expected to be ready to work at the start of their scheduled shifts. If for some reason an employee is unable to be at work when their shift begins, they are required to notify their supervisor at least one half hour before their scheduled reporting time, and failure to do so may result in disciplinary action by the Agency. Exchanging work schedules with other employees is strongly discouraged. However, if employees believe it is necessary for them to exchange schedules, they may make a request to their supervisor, who may or may not authorize such an exchange.

3.9 MEAL AND REST PERIODS

Overtime eligible employees are provided with a meal period, to be taken approximately in the middle of the workday. Employees are allowed ten-minute rest periods for every four hours of work. Rest periods may not be combined to shorten the workday or to extend the meal period. Employees shall take meal and rest periods at a time designated by the employee's supervisor.

3.10 PERSONNEL RECORDS

A. Confidential Files

The Agency maintains a personnel file on each employee. Files are kept for at least three years after separation of employment. A personnel file will contain only material that the Agency deems necessary and relevant or that is required by law. Personnel files are the property of the Agency, and access to the information they contain is restricted to protect employee privacy interests.

B. Notification of Changes

Each employee is responsible to promptly notify the General Manager or designee of any changes in their contact and benefits information, including: mailing address; telephone number; persons to contact in emergency; and number and names of dependents.

C. Access to Applicant of Employee Medical Information

All medical information about an employee or applicant is kept in separate medical files and is treated as confidential. Access to employee or applicant medical information shall be strictly limited to only those with a legitimate need to have such information for Agency business reasons, as determined in the Agency's sole discretion, or if access is required by law, subpoena, or court order. In the case of an employee with a disability, managers and supervisors may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations.

D. Employee Access to Personnel File

1. **Inspection of File:** A current employee may inspect their own personnel file, at reasonable times and at reasonable intervals, within 30 days of a written request. A former employee is entitled to inspect their personnel records one time per year. A current or former employee and/or their representative, who wishes to review their personnel file should make a written request to the General Manager. The inspection must occur in the presence of the General Manager or designee and: (1) at a location where the employee works and at a time other than the employee's work time; or (2) at another agreed upon location without loss of compensation to the employee.
2. **Copies:** A current or former employee is entitled to receive a copy of their personnel records within 30 days after the employer receives a written request. A current or former employee who wishes to receive such a copy should contact the General Manager or designee in writing. The Agency may charge a fee for the actual cost of copying.
3. **Representative's Inspection:** If the current or former employee wishes to have another person/representative inspect their personnel file, they must provide the person/representative with written authorization. The General Manager or designee will notify the employee and/or representative of the date, time, and place of the inspection in writing.
4. **No Removal of File Documents:** No person inspecting a personnel file is permitted to add or remove any document or other item to/from the personnel file.
5. **Limitations on Access or Copying of Personnel File:** Prior to making a copy of personnel records or allowing inspection, the Agency may redact the names of nonsupervisory employees. Under no circumstances will the Agency provide access or copying of the following categories of

personnel file documents: (1) records relating to the investigation of a possible criminal offense; (2) letters of reference; and (3) ratings, reports, or records that were obtained prior to employment, prepared by identifiable examination committee members, or obtained in connection with a promotional examination.

3.11 EMPLOYEE REFERENCES AND VERIFICATIONS OF EMPLOYMENT

All requests for references and verifications of employment must be directed to and approved by the General Manager or designee. No other Agency manager, supervisor, or employee is authorized to provide references or verifications of employment for current or former employees. In response to a reference request or a verification of employment for a current or former employee, the Agency will only disclose the employee's dates of employment and the title of the last position the employee held. If an employee authorizes such disclosure in a written waiver, the Agency will also provide a prospective employer with the information on the employee's amount of salary or wage last earned.

3.12 PERFORMANCE EVALUATIONS

Employees will receive periodic performance evaluations. The evaluation will be conducted by the supervisor who will discuss it with the employee. An employee's first performance evaluation will be upon completion of the midway point of the Training Period, and their second performance evaluation will be upon completion of the Training Period. After that evaluation, performance evaluations will generally be conducted annually, on or about the anniversary date of employment with the Agency. The frequency of performance evaluations will occur as the Agency deems necessary and may vary depending upon length of service, job position, past performance, changes in job duties, performance problems, and/or the Agency's operational needs. Performance evaluations may review factors such as the quality and quantity of the work performed, knowledge of the job, initiative, work attitude and attitude toward others. The performance evaluation is intended help every employee become aware of their progress, areas for improvement, and objectives or goals for future work performance.

After the review, employees will be required to sign the performance evaluation report to acknowledge that it has been presented to them, and reviewed and discussed with them by their supervisor and that they are aware of its contents. The employee's signature shall not mean that they endorse the contents of the performance evaluation. Positive performance evaluations do not guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of the Agency, and depend upon many factors in addition to performance.

An employee does not have the right to appeal or submit a grievance regarding any matter relating to the content of a performance evaluation. Instead, the employee may comment on the evaluation in a written statement, which will then be placed with the evaluation in the employee's personnel file. The written statement must be submitted within ten days after the employee receives the evaluation.

3.13 GRIEVANCE PROCEDURE

The purpose of the grievance procedure is to provide a means by which employee grievances may be considered, discussed, and resolved at the closest possible level to the point of origin. A grievance is any dispute concerning the interpretation or application of the rules or regulations governing personnel practices or working conditions, or of the practical consequences of a decision on wages, hours, and other terms and conditions of employment and that contains all of the information listed in the "Statement of the Grievance" below. The grievance procedure cannot be utilized to challenge the content of a performance evaluation. A concern is not a grievance unless the affected employee is able to state each of the following: (1) the date of the alleged violation; (2) the specific provision(s) of these policies that were allegedly violated; (3) a description of all facts regarding how the alleged violation occurred; (4) and a list of all persons who are witnesses or are involved. The grievant must include all of the preceding information in a Statement of the Grievance, which must be signed by the employee filing the grievance to certify that it is filed in good faith.

Grievances shall be waived for all purposes if not presented to the supervisor within ten working days from the date the aggrieved employee knew, or, in the Agency's sole discretion, by reasonable diligence could have known, of the occurrence of the act or omission on which the grievance is based. Grievances shall be presented in accordance with the procedures set forth below. The time period for review of the grievance may be extended at any level of the procedure by mutual written consent of the employee and General Manager or designee.

- A. **INFORMAL PROCEDURE:** An employee with a grievance shall first discuss it with their immediate supervisor without delay. If the grievance is not resolved to the employee's satisfaction, the employee may discuss the grievance with the supervisor's immediate superior. Every effort shall be made to resolve the grievance through the informal procedure.
- B. **FORMAL PROCEDURE:** If the employee believes the informal procedure did not successfully resolve the employee's grievance, the employee may avail themselves of this formal procedure by submitting a written Statement of the

Grievance within five working days of receipt of the final outcome in the informal procedure as follows:

- **GENERAL MANAGER REVIEW:** If the employee does not agree with the decision, or if no answer has been received within six (6) working days of the first (1st) level meeting, the employee may forward the original appeal in writing to the General Manager. Failure of the employee to take further action within ten (10) working days after receipt of the first level decision, or within a total of ten (10) working days if no decision is rendered, will bar further consideration. The General Manager shall discuss the grievance with the employee and with other appropriate persons, if any. The General Manager shall render a decision regarding the original appeal and comments in writing and return them to the employee within ten (10) working days after receiving the written appeal. The only appeals that can go beyond the General Manager level are appeals from actions where “punitive discipline” was imposed. “Punitive discipline” is defined as termination, suspension without pay of three (3) days or more, or demotion. (For employees hired prior to December 20, 2005, “major disciplinary actions,” including “punitive discipline,” shall be administered as set forth in Section 3.17 and the grievance procedure shall not apply to such actions.)
- **BOARD REVIEW:** If the employee does not agree with the decision made at the General Manager level where punitive discipline was imposed the employee may within five (5) working days, present their appeal in writing to the General Manager requesting a hearing before the Board. All evidence and supporting documents must be submitted with the appeal letter. At the employee’s request, this hearing may be in either open or closed session. The decision of the Board of Directors shall be final and binding on all parties.

Failure of the Agency to comply with the time limits of the grievance procedures allows the grievant to appeal to the next level of review. Failure of the grievant to comply with the time limits of the grievance procedures constitutes settlement and resolution of the grievance on the basis of the last disposition. The Agency and grievant may extend time limits by mutual written agreement in advance of a deadline. The grievance is considered resolved at any step in the procedure when the employee is satisfied that the problem has been resolved.

Throughout the duration of the grievance process, the employee shall remain in their current classification at their current rate of compensation whether placed on leave status

or not. No punitive action of any kind shall be assessed against any regular employee because they utilized the grievance process.

3.14 EMPLOYMENT OF RELATIVES

A. Policy

The Agency regulates the employment and placement of relatives, spouses, and domestic partners so as to avoid conflicts of interest and to promote safety, security, supervision, and morale. The Agency will not hire, appoint, promote, or transfer relatives or spouses into positions with the Agency, if any of the following would result:

1. A direct or indirect supervisory relationship between the relatives;
2. The two employees having job duties which require performance of shared duties on the same or related work assignment;
3. Both employees having the same supervisor; or
4. Where actual or potential problems may arise regarding supervision, security, safety or morale, or where potential conflicts of interest exist.

B. Definitions

1. "Relatives" means children, step-children, siblings, parents, grandparents, grandchildren, uncles, aunts, nieces, nephews, or in-laws and step-relatives of the preceding individuals by marriage or domestic partnership.
2. "Spouse" means one of two persons to a marriage, or two people who are registered domestic partners, as those terms are defined by state law.
3. "Supervisory relationship" means one in which one employee exercises the right or responsibility to control, direct, reward, or discipline another by virtue of the duties and responsibilities assigned to by the Agency.

C. Marriage or Domestic Partnership After Employment

1. **Transfer:** If two Agency employees who work in the same department later become spouses or domestic partners, the General Manager has discretion to transfer one of the employees to a similar position in another department. Although the wishes of the two employees will

considered, the General Manager retains sole discretion to determine which employee will be transferred based upon the Agency's needs for supervision, safety, security, or morale. Any such transfer that results in a salary reduction is not disciplinary and is not subject to any grievance or appeal, or pre- or post-disciplinary appeal due process.

2. **Separation:** If continuing employment of both employees, who work in the same department and who later become spouses or domestic partners, cannot be accommodated in a manner the General Manager finds to be consistent with the Agency's interest in the promotion of supervision, safety, security, or morale, then the General Manager retains sole discretion to separate one employee from the Agency. Absent the resignation of one employee, the less senior employee will be separated. Any such separation is not considered to be disciplinary and is not subject to any grievance or appeal, or pre- or post-disciplinary appeal due process.

3.15 CONFLICTS OF INTEREST

Situations of actual or potential conflict of interest are to be avoided by all employees. Personal or romantic involvement with a competitor, supplier or subordinate employee of the Agency, which impairs an employee's ability to exercise good judgment on behalf of the Agency, creates an actual or potential conflict of interest. Supervisor-subordinate romantic or personal relationships also can lead to supervisory problems, possible claims of sexual harassment and morale problems.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to their immediate supervisor, or any other appropriate supervisor, for a determination as to whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Agency may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

3.16 REDUCTIONS IN FORCE

Whenever, in the judgment of the Agency Board, a reduction in personnel is necessary for economic or operational reasons, any employee may be laid off or demoted for non-disciplinary reasons. The Agency will attempt to provide reasonable advance notice of such layoffs and demotions, if possible, so as to minimize the impact on those affected. If possible, employees subject to layoff or demotion will be informed of the foreseeable duration of the layoff or demotion, whether temporary, permanent, or indefinite.

Employees will be laid off in the inverse order of their seniority in their classification in the department. Seniority is determined based on the length of employment in the affected classification in the department, or higher classifications in the department. Length of employment includes all days of employment in attendance at work and on authorized or legally-protected leaves of absence. Length of service does not include unauthorized periods of leave, suspension, or layoff. Within each classification, employees will be laid off in the following order: (1) temporary; (2) part-time; (3) probationary; and (4) for-cause status. If two or more employees in a classification to be laid off have the same length of employment, the employee to be laid off will be decided by lottery.

3.17 TERMINATION AND PROGRESSIVE DISCIPLINE

This Section 3.17 only applies to employees hired prior to December 20, 2005, who are not classified as “at-will” employees. All other employees may be disciplined or separated at will, with or without cause, with or without notice, and without the disciplinary procedures listed below.

For employees hired prior to December 20, 2005, who are not classified as “at-will,” the following disciplinary process will apply to “major disciplinary actions,” (defined as terminations, demotions, reductions in pay, or suspensions without pay):

A. Notice of Intended Disciplinary Action to Employee

Prior to imposing a major disciplinary action, the employee shall be provided with a notice of proposed disciplinary action, which shall include (1) the level of the intended discipline; (2) the specific charges that support the intended discipline; (3) summary of the facts that show that the elements of each charge at issue in the intended discipline; (4) a copy of the documents upon which the intended disciplinary action is based; (5) notice of the employee’s right to respond to the General Manager regarding the intended discipline within seven (7) calendar days from the date of the notice, either to schedule a “*Skelly*” hearing with the General Manager or by providing a written response, or both; (6) notice of the employee’s right to have a representative of their choice at the *Skelly* hearing; and (7) notice that failure to respond by the time specified constitutes a waiver of the right to respond prior to final discipline being imposed.

B. Response by Employee and *Skelly* Hearing

If the employee requests a *Skelly* hearing, the General Manager or designee will conduct an informal meeting with the employee. During the informal meeting, the employee shall have the opportunity to rebut the charges against them and present any mitigating circumstances. The General Manager will consider the employee’s presentation before

issuing disciplinary action. The employee's failure to attend the hearing, or to deliver a written response by the date specified in the *Skelly* notice, is a waiver of the right to respond, and the intended disciplinary action will be imposed on the date specified in the notice of proposed disciplinary action.

C. Final Notice of Disciplinary Action

Following the *Skelly* hearing, the timely receipt of the employee's written response, or after seven (7) calendar days if the employee does not choose to schedule a *Skelly* hearing or provide a written response, the General Manager will: (1) take no disciplinary action; (2) modify the intended discipline; or (3) impose the intended disciplinary action. In any case, the General Manager will provide the employee with a notice that contains the following:

1. The level of discipline, if any, to be imposed and the effective date of the discipline;
2. The specific charges upon which the discipline is based;
3. A summary of the facts that show that the elements of each charge at issue in the intended discipline;
4. A copy of all materials upon which the discipline is based; and
5. A reference to the employee's appeal right and deadline to appeal.

D. Delivery of the Final Notice of Discipline

The final notice of discipline will be sent by mail method that verifies delivery to the last known address of the employee, or delivered to the employee in person. If the notice is not deliverable because the employee has moved without notifying the Agency or the employee refuses to accept delivery, the effective date of discipline will be the date the post office or delivery service attempted delivery.

E. Appeal Procedures

If the disciplinary action is a termination, demotion, or suspension without pay for five (5) days or more, the employee shall have seven (7) calendar days to file an appeal. The appeal shall be in writing and delivered to the General Manager. Following receipt of the appeal, a hearing shall be scheduled before the Board of Directors, or its designee(s). Failure to file a request for appeal within the time specified shall be deemed a waiver of all appeal rights. Appeal hearings need not be conducted in strict conformity with the

Rules of Evidence as applied in a court of law, but all parties shall observe the substance of the Rules of Evidence, to the end that the matter may be fully heard and determined upon evidentiary matter which reasonable people rely on in the conduct of serious business affairs. Following the hearing, the Board or its designee(s) shall issue a written decision upholding, reducing, or rejecting the discipline imposed. If the Board delegates the hearing to a designee(s), the decision shall be advisory only to the Board, and the Board shall issue a final decision. The decision of the Board will be final and binding on all parties. The hearing shall be held in Closed Session unless the employee requests otherwise.

F. Suspensions Without Pay for Four Days or Less

In cases of suspensions without pay of four (4) days or less, the employee shall be entitled to notice of the suspension and a *Skelly* hearing with the General Manager either prior to, during or within seven (7) days following the suspension without pay. The decision of the General Manager following the *Skelly* hearing shall be final and binding and the employee shall have no further appeal rights.

3.18 VOLUNTARY TERMINATION

Any employee may voluntarily terminate their employment with the Agency at their convenience. All Agency owned property (e.g., vehicles, keys, uniforms, identification badges, credit cards, electronic devices, etc.) must be returned immediately upon termination of employment. A Property Return Agreement must be completed and signed by each new employee during the orientation process as Agency equipment is issued.

3.19 EXPENSES

In accordance with California law, the Agency reimburses employees for all necessary expenses that they incur directly in performing their job duties. In order to obtain reimbursement from the Agency, the employee must, as required by IRS regulations, submit a copy of the appropriate bill, receipts, or other satisfactory evidence identifying the costs incurred to the General Manager. The employee must also complete the appropriate reimbursement request form and verify the amount of the expense, the date the expenses were incurred, and the reason why they were incurred. All reimbursement requests must be submitted within 30 days of incurring the expense.

3.20 WEAPONS/ANTI-VIOLENCE

The Agency is committed to providing a safe and secure workplace and has adopted a zero tolerance policy against acts or threats of violence in the workplace. The workplace includes any location where Agency business is conducted, including vehicles and

parking lots. Employees are prohibited from participating in or promoting acts of intimidation, violence, threats, coercion, assault and/or abusive behavior toward any person while in the course of Agency employment. The Agency also prohibits any conduct that references workplace violence, even if it was intended to be harmless, humorous, a prank, blowing off steam, or venting.

“Workplace violence” is defined as any conduct that causes an individual to reasonably fear for their personal safety or the safety of their family, friends, and/or property. Examples of workplace violence include, but are not limited to, the following:

- All threats or acts of violence occurring on the Agency premises, regardless of the relationship between the Agency and the parties involved in the incident.
- All threats or acts of violence occurring off the Agency premises involving someone who is acting in the capacity of a representative of the Agency.
- All threats or acts of violence occurring off the Agency premises involving an employee of the Agency if the threats or acts affect the legitimate interests of the Agency.
- Any threats or acts of violence resulting in the conviction of an employee or agent of the Agency, or of an individual performing service for the Agency on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence which adversely affect the legitimate interests and goals of the Agency.

Specific examples of prohibited conduct considered threats or acts of violence include, but are not limited to, the following:

- Acts of physical harm directed toward an individual or their family, friends, associates, or property;
- Threatening physical harm directed toward an individual or their family, friends, associates, or property;
- Destruction or threat of destruction of Agency property or another employee’s property;
- Harassing or threatening phone calls;
- Surveillance or stalking;
- The suggestion or intimation that violence is appropriate;

- Possessing a weapon(s) during work hours unless the Agency issues the weapon(s) for performance of the job. “Weapon” is defined as a firearm, chemical agent, club or baton, knife, explosive, or any other device, tool, or implement that can cause bodily harm if used as a weapon or displayed in such a manner to cause harm or threaten a person with harm;;
- Fighting, challenging another person to fight, or participating in dangerous or threatening horseplay; and
- Grabbing, pinching, or touching another person in an unwanted way whether sexually or otherwise.

The Agency's prohibition against threats and acts of violence applies to all persons involved in the Agency's operation, including but not limited to Agency personnel, contract, and temporary workers and anyone else on Agency property. Violations of this policy by any individual on Agency property, by any individual acting as a representative of the Agency while off Agency property, or by any individual acting off of Agency property when his/her actions affect the Agency's business interests will lead to disciplinary action (up to and including termination), and may lead to criminal prosecution.

Every employee and every person on Agency property is required to report incidents of threats or acts of physical violence or any other violation of this policy of which the employee is aware. The report should be made to the General Manager, the reporting individual's immediate supervisor, or another supervisory employee if the immediate supervisor is not available. Nothing in this policy alters any other reporting obligation established in Agency policies or in state, federal, or other applicable law.

3.21 NON-EXEMPT EMPLOYEE USE OF COMMUNICATION DEVICES

Non-exempt (i.e. FLSA overtime-eligible) employees may perform necessary and authorized work duties on various communication devices (e.g., smartphones, tablets, laptops, PDAs, etc.). Non-exempt employees shall not use communication devices for work-related purposes outside of their regularly scheduled hours unless they receive prior written authorization from their supervisor. This means, for example, that non-exempt employees are prohibited from reviewing, reading, sending, and responding to work-related emails outside of their regularly scheduled hours without prior written authorization from their supervisor. If a non-exempt employee receives prior written authorization to use a communication device outside of their regularly scheduled hours, the employee is required to report all time spent working on communication devices and all such time spent will be considered hours worked and will count toward overtime eligibility as set forth by applicable law. Failure to follow this policy will result in disciplinary action.

3.22 TELEWORKING POLICY

The Agency may allow certain eligible employees who request to telework, subject to their execution of a Teleworking Agreement, to telework from an alternative worksite for some or all of their regularly scheduled work hours provided that, for the duration of such telework, employees perform their job duties, and in so doing provide quality work in a timely manner, and to the benefit of the public. The Teleworking Agreement sets forth the mutual understanding of the employee, the employee's supervisor or manager, and the General Manager concerning the teleworking arrangement.

A. Definitions

- "Alternative Worksite" means the employee's home, place of residence or from another location approved by the Agency other than the employee's normal workplace at an Agency worksite or facility.
- "Telework(ing)" means a work arrangement under which an employee works from their home, place of residence or from another location other than the employees' normal workplace at an Agency worksite or facility ("Alternative Worksite") for all or a portion of their regularly scheduled work hours.
- "Work Schedule" means the days and hours determined by supervisors or managers during which non-exempt, overtime eligible employees should be in attendance at the Alternative Worksite. The Work Schedule shall provide for and include the rest and meal breaks required under applicable federal and state law as well as under contract.

B. Telework Eligibility

The General Manager, or designee, possesses the discretionary authority to determine the job classifications, positions, and employees who are eligible to telework under this policy. The General Manager, or designee, may make such determination using criteria including, but not limited to, the following:

1. The operational needs of the agency and employee's department and division;
2. The disruption of or potential for disruption to the agency's functions;
3. The ability of the employee to perform their job duties (both essential and marginal) from an Alternative Worksite without diminishing the quantity or quality of the work performed;

4. The degree to which the employee's job functions require face-to-face interaction with other agency employees, contractors and members of the public;
5. The employee's job performance, as determined by their last performance review;
6. The employee's length of service with the agency, department or division;
7. The portability of the employee's work, including the employee's ability to remotely access tools, equipment, and materials necessary to perform their job functions;
8. The availability of or ability to create a functional, reliable, healthy, safe, and secure Alternate Worksite for the employee at a reasonable cost;
9. The risk factors associated with performing the employee's job duties from a location other than the employee's normal workplace at an agency worksite;
10. The agency's capacity to monitor and measure the employee's work performance at the Alternate Worksite;
11. The employee's supervisory responsibilities;
12. The employee's need for supervision; and
13. Other considerations deemed necessary and appropriate by the agency, including tax and other legal implications of teleworking.

C. Process to Request Voluntary Telework

To make a request for a Teleworking arrangement, employees must complete a Voluntary Telework Request Form and file the completed request form with their supervisor or manager. The employee's supervisor or manager will provide the request form to the General Manager, or designee. In consultation with or based on information provided by the employee's supervisor or manager, the General Manager or designee, will make a determination regarding the employee's request to telework. The General Manager will consider Teleworking requests on a case-by-case basis consistent with the criteria above and other factors relevant to the employee's request to telework.

D. Final Determination; No Right to Appeal

The decision of the General Manager regarding an employee's Teleworking request is final and binding. The employee does not possess any right to appeal or grieve the decision.

E. Mandatory Teleworking Arrangements during Exigent Circumstances

Where an exigent circumstance exists, the Agency may direct Agency employees to remain at their homes or places of residence and the Agency adopt and implement a short-term teleworking arrangement for such employees in order to provide for the continuity of essential services provided by the Agency.

Exigent circumstances means a situation in which there is an imminent threat of extreme peril to life, property and resources. Exigent circumstances may include, but are not limited to, war, public health emergencies, power failures, natural and man-made disasters, and other states of emergency.

Where such an exigency exists and necessitates the adoption and implementation of a short-term mandatory teleworking arrangement for Agency employees, the General Manager is expressly authorized to suspend some or all provisions of this policy and adopt and implement alternative provisions necessary to provide for the continuity of essential services.

F. Duties and Obligations of Teleworking Employees

1. Generally

- a) All existing duties, obligations, responsibilities and conditions of employment remain unchanged. Teleworking employees shall abide by all Agency and departmental policies and procedures, rules and regulations.
- b) All of the Teleworking employees' existing supervisory relationships, lines of authority and supervisory practices remain in effect.
- c) Teleworking employees authorized to perform work at an Alternate Worksite must meet the same standards of performance and professionalism expected of Agency employees in terms of job responsibilities, work product, timeliness of assignments, and contact with other Agency employees and members of the public.
- d) Teleworking employees are required to be accessible in the same manner as if they are working at an Agency worksite or facility during the established teleworking Work Schedule, regardless of the designated location for teleworking,

or Alternate Worksite. Teleworking employees must be accessible via telephone, email, and/or network access to their supervisor and other Agency employees while Teleworking, as if working at their Agency worksite. Teleworking employees shall check their Agency-related business phone messages and emails on a consistent basis, as if working at their Agency worksite.

2. Work Schedule, Overtime, Leave, and Benefits

- a) For non-exempt employees, the Agency will either provide such employee: (1) a work schedule that will be included in the Agreement, and which will include meal and rest breaks ("Work Schedule"); or (2) authorization to work on an intermittent basis.
- b) For non-exempt employees assigned a Work Schedule, any deviation from the Work Schedule must be approved in advance, in writing, by the employee's supervisor or manager and the General Manager.
- c) Non-exempt employees may not Telework outside their normal work hours without prior written authorization from their supervisor or manager and the General Manager. A non-exempt employee who fails to secure written authorization before Teleworking outside their normal work hours may face discipline in accordance with the Agency's policy for working unauthorized overtime.
- d) Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, must take meal and rest breaks while Teleworking as required under applicable law and/or under applicable contract or Agency policy.
- e) For non-exempt employees assigned a Work Schedule, all periods of Teleworking employees' unavailability must be approved in advance by their supervisor or manager and the General Manager in accordance with Agency policy and documented on the appropriate leave request form.
- f) Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to report in a timely manner all hours worked at the Alternate Worksite and make that record available to their supervisor upon request. Employees shall record all non-productive work time on their timesheet.
- g) Employees shall continue to abide by Agency policies and procedures for requests of sick, vacation and other leaves of absences. If an employee becomes ill while working under the Agreement, they shall notify their supervisor or manager

immediately and record on their timesheet any hours not worked due to illness and/or incapacitation.

- h) Non-exempt employees, regardless of whether assigned a Work Schedule or authorized to work intermittently, are required to request to work overtime in advance of doing so and must such requests must be pre-approved in writing by the employee's supervisor or manager.
- i) Teleworking employees' salary and benefits remain unchanged during the Teleworking arrangement.
- j) Workers' Compensation benefits will apply only to injuries arising out of and in the course of employment as defined by Workers' Compensation law. Teleworking employees must report any such work-related injuries to their supervisor or manager immediately. The Agency shall not be responsible for injuries or property damage unrelated to such work activities, including injuries to third-persons when said injuries occur at the Alternate Worksite.

3. Space and Equipment, Information Security, Confidentiality

- a) Teleworking employees will either receive approval to use personal computer equipment or will be provided with Agency-issued equipment at the discretion of the General Manager.
- b) If the Agency provided any Agency-issued equipment, teleworking employees agree to follow the Agency's policy for the use of such equipment. Teleworking employees must report to their supervisor any loss, damage, or unauthorized access to Agency owned equipment, immediately upon discovery of such loss, damage, or unauthorized access.
- c) Where, in response to a request to Telework, the Agency allows an employee to Telework, the Agency shall not be responsible for Teleworking costs, including, but not limited to, the employee's use of their home or place of residence, their personal computer, utilities, internet, data, network costs, home maintenance, workspace furniture, ergonomic equipment, or any other incidental costs, unless expressly provided for in the Agreement.
- d) Employees must take reasonable precautions to ensure their devices (e.g., computers, laptops, tablets, smart phones, etc.) are secure before connecting remotely to the Agency's network and must close or secure all connections to Agency desktop or system resources (e.g., remote desktop, VPN connections, etc.) when not conducting work for the Agency. Employees must maintain

adequate firewall and security protection on all such devices used to conduct Agency work from the Alternate Worksite.

- e) Teleworking employees shall exercise the same precautions to safeguard electronic and paper information, protect confidentiality, and adhere to the Agency's records retention policies, especially as it pertains to the California Public Records Act ("CPRA"). Teleworking employees must safeguard all sensitive and confidential information (both on paper and in electronic form) relating to Agency work they access from the Alternate Worksite or transport from their Agency worksite to the Alternate Worksite. Teleworking employees must also take reasonable precautions to prevent third parties from accessing or handling sensitive and confidential information they access from the Alternate Worksite or transport from their Agency worksite to the Alternate Worksite. Teleworking employees must return all records, documents, and correspondence to the Agency at the termination of the Agreement or upon request by their supervisor or manager or General Manager.

4. Miscellaneous

- a) Teleworking employees must notify their supervisor or manager promptly when unable to perform work assignments because of equipment failure or any other unforeseen circumstances.
- b) Teleworking employees must have access to an Alternate Worksite that is quiet and free of distractions and which has reliable and secure power, internet and/or wireless access.
- c) Teleworking employees shall ensure that all official Agency documents are retained and maintained according to the normal operating procedures in the same manner as if working at an Agency.
- d) Teleworking employees must ensure dependent care will not interfere with work responsibilities.

3.23 REIMBURSABLE EXPENSES FOR CERTAIN TELEWORKING EMPLOYEES

The Agency will reimburse covered Teleworking employees only for those expenses incurred which are necessary for the Teleworking employee to perform the job duties assigned to the Teleworking employee by the Agency from their home, place of residence, or location other than an Agency worksite as determined at the sole discretion of the Agency. Whether the Agency will reimburse any such expense and, if so, the

amount to be reimbursed will be in the Agency's sole and absolute discretion, but may include a reasonable portion of internet, cell phone, or utilities.

If a covered Teleworking employee expects to incur an expense that may be subject to reimbursement as identified in this policy, that employee is required to file a request for reimbursement with their manager or supervisor. The manager or supervisor will discuss the request with the General Manager who will make a determination as to the expense at issue. The determination of the General Manager shall be final and not subject to appeal or the grievance procedure.

ARTICLE 4.0 SALARY AND WAGE ADJUSTMENTS

4.1 SALARY RANGE AND STEP SCHEDULE

The Board shall adopt a Salary Range and Step Schedule for all positions, which shall be identified in Appendix "B" attached.

4.2 SALARY ADJUSTMENTS

All merit salary adjustments shall be made by the General Manager with consideration given to the employee's performance evaluation among other factors on or about the employee's annual anniversary date. Merit salary adjustments are granted only after a satisfactory period of service, and are not to be considered an automatic annual salary increase.

The Salary Range and Step Salary Schedule, attached as Appendix B, is adopted by the Board of Directors setting forth the salary alignment for regular hourly employees. Each range in the Salary Range and Step Salary Schedule shall have a corresponding job classification description which is attached as Appendix A - Job Classification Schedule.

4.3 OTHER SALARY ADJUSTMENTS

The Board, at its discretion, may grant a percentage cost of living adjustment to the Salary Range and Step Appendix B each year to be effective on or about July 1. The Social Security Cost-of-Living Index Publication and the overall financial condition of the Agency shall be considered when determining any adjustment.

4.4 OVERTIME

As necessary, non-exempt (i.e. FLSA overtime-eligible) employees may be required to work overtime at the Agency's direction. For purposes of determining which hours constitute forty (40) hours in a workweek for overtime eligibility, only actual hours worked, the four (4) hour facility inspection pay, paid holidays, pre-approved vacation, and paid sick leave will be counted. The Agency will attempt to distribute overtime evenly and accommodate individual schedules. All overtime work must be previously authorized by a supervisor. Working overtime without prior authorization for a supervisor is grounds for discipline.

The Agency provides compensation for all overtime hours worked by hourly employees in accordance with federal law as follows:

- All hours worked in excess of 40 hours in one workweek will be treated as overtime. A workday begins at midnight and ends 24 hours later. A workweek begins each Friday at midnight.
- Compensation for hours in excess of 40 hours for the workweek shall be paid at a rate of 1½ times the employee's regular rate of pay except for overtime worked during on-call duty (See Article 4.5).

All time worked must be recorded and will be paid. "Working off the clock" is strictly prohibited.

4.5 OPERATIONS STANDBY

- A. **FOUR HOUR FACILITY INSPECTION:** The employee on-call shall perform the normal four (4) hour facility inspections on Saturday, Sunday, and all Agency authorized Holidays as required. The "four-hour facility inspection" is defined as the daily duties in which the Agency facilities are inspected and production data recorded. Four hours are allotted to perform these duties, and employees will be paid a minimum of four (4) hours, even if the employee actually works for less than four (4) hours.
- B. **ON-CALL TIME:** Employees on on-call time shall answer information only calls, carry the on-call cell phone for the entire shift, and be available for any emergency call-out that may arise during the hours of their on-call shift. Employees having on-call responsibilities are required to live within a forty-five-minute drive of the Agency boundary.
- C. **STAND-BY DUTY:** Employees on stand-by duty on Monday, Tuesday, Wednesday, or Thursday, or Friday will be paid one (1) hour of their base pay rate for each day of service. Employees on stand-by duty on Friday, Saturday, Sunday, or Agency authorized Holidays will be paid three (3) hours of their base pay rate. Stand-by duty pay is not considered overtime. An employee on stand-by duty may be called back to work that is considered "call out time" and paid accordingly.
- D. **CALL OUT TIME:** Call-out time refers to the time an employee is called out after regular working hours when that employee has on-call duty. Call-out time does not include the time required to make the four (4) hour facility inspection on a weekend or holiday day, information only calls or carrying the on-call cell phone for the entire shift (compensated under "Stand-by Duty"). Call-out time shall be compensated as overtime and paid at one and one half (1½) times the

employee's regular rate or pay prorated (adjusted) by the application of the on-call compensation earned during the on-call period. In other words, the on-call pay (stand-by pay) is included in the regular rate for the purposes for calculating overtime. This will be noted on the paycheck as "STNDBYOT" or similar code. Overtime shall be paid for an actual call-out for the time ~~time~~ worked with a minimum of one-hour compensation, except that information only calls shall be paid as overtime for the actual duration of the call and not subject to the one-hour minimum compensation that applies to an actual call-out.

4.6 COMPENSATORY TIME

A non-exempt (i.e. FLSA overtime-eligible) employee may elect to accrue compensatory time in lieu of cash payment for overtime if their supervisor agrees prior to overtime work being performed. Employees eligible for compensatory time may accrue such time to a maximum cap of forty (40) hours. Compensatory time shall be calculated at one and one-half (1½) times the number of actual hours worked over forty (40) hours in a workweek. Compensatory time must be reported on the employee's time card and submitted to the payroll department. Compensatory time must be elected by the employee prior to performing the work.

The Agency will grant an employee's request to use accumulated compensatory time provided that: (1) the Agency can accommodate the use of compensatory time on the day requested without undue disruption to Agency operations; and (2) the employee makes the request in writing to the supervisor no later than five (5) days prior to the date requested. If the employee does not provide five (5) days' notice, or if the Agency cannot accommodate the time off without undue disruption, the Agency will provide the employee the opportunity to cash out the amount of compensatory time requested at the end of the current pay period. Compensatory time used shall also be reported on the employee's time card and submitted to the payroll department. The Agency reserves the right to cash out accumulated compensatory time at any time. Compensatory time is cashed out at the employee's current regular rate of pay. Unused compensatory time shall be paid at the employee's current regular rate of pay, or the employee's average regular rate for the prior three years, whichever is higher, upon termination or separation of employment.

4.7 PAYMENT OF WAGES

All employees of the Agency are paid every other Thursday for work performed during the previous two-week pay period. If a regular payday falls on a holiday, every effort will be made to pay the employees on the preceding workday. Paychecks are normally available by 4:00 p.m. at the Jemez office. If an employee believes there is an error on a payroll check, it should be reported immediately to the supervisor, and if the Agency

finds that an error occurred, it will be corrected within four (4) working days. All payroll deductions shall be in accordance with applicable laws.

4.8 ADVANCES

The Agency does not permit advances against unearned wages or against un-earned, un-accrued paid vacation leave.

4.9 SPECIAL ASSIGNMENT COMPENSATION

Special Assignment Compensation is a concept which allows for increases in pay beyond that which is normally allowed when duties performed support such additional pay for special periods of time. The General Manager may grant the Special Assignment Compensation for duties assigned an employee at a rate of compensation at the bottom of the range for the new position or five percent (5%) of the employee's pay in their regular position, whichever is greater, of the employee's base pay rate when duties assigned are above and beyond the normal classification of an employee and under other circumstances as determined by the General Manager.

ARTICLE 5.0 STANDARDS OF CONDUCT

5.1 PROHIBITED CONDUCT

The following conduct is prohibited and will not be tolerated by the Agency. This list of prohibited conduct is illustrative only; other types of conduct injurious to security, personal safety, employee welfare and the Agency's operations also may be prohibited.

- A. Violation of this Handbook, or any other Agency policy, rule, or resolution;
- B. Absence without authorized leave or tardiness;
- C. Excessive absenteeism and/or tardiness as defined by the General Manager, and/or this Handbook;
- D. Use of leave from work in a manner not authorized or provided for under this Handbook, or any other Agency policy, rule, or resolution;
- E. Making any false representation or statement, or making any omission of a material fact;
- F. Providing wrong or misleading information or other fraud in securing appointment, promotion, or maintaining employment;
- G. Unsatisfactory job performance;
- H. Inefficiency;
- I. Damaging any Agency property, equipment, resource, or vehicle, or the waste of Agency supplies through negligence or misconduct;
- J. Insubordination, or insulting or demeaning the authority of a supervisor or manager;
- K. Dishonesty;
- L. Theft;
- M. Violation of the Agency's confidentiality policies, or disclosure of confidential Agency information to any unauthorized person or entity;
- N. Misuse or unauthorized use of any Agency property, including, but not limited to: physical property, electronic resources, supplies, tools, equipment, Agency communication systems, Agency vehicles or intellectual property;

- O. Mishandling of public funds;
- P. Falsifying or tampering with any Agency record, including work time or financial records;
- Q. Discourteous or offensive treatment of the public or other employees;
- R. Abusive conduct, including malicious verbal, visual or physical actions, or the gratuitous sabotage or undermining of a person's work performance;
- S. Conviction, meaning any judicial determination of guilt, of a crime that has a nexus to the employee's job duties;
- T. Unapproved outside employment or activity, or other enterprise that constitutes a conflict of interest with service to the Agency;
- U. Any conduct that impairs, disrupts, or causes discredit to the Agency, to the public service, or other employee's employment;
- V. Reckless or unsafe conduct;
- W. Working overtime without prior authorization or refusing to work assigned overtime;
- X. Carrying firearms or other dangerous weapons while on duty when not required by job duties; or
- Y. Horseplay or fighting.

5.2 DRUG AND ALCOHOL POLICY

The Agency is concerned about the use of alcohol, drugs (including but not limited to marijuana in all forms, which remains illegal under federal law), and controlled substances as such use affects the workplace, including causing inefficiencies and risks. Use of these substances whether on or off the job can adversely affect an employee's work performance, efficiency, safety, and health and therefore seriously impair the health and safety of the employee and others in the workplace. In addition, the use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees and exposes the Agency to the risks of property loss or damage, or injury to other persons. Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance and seriously impair the health and safety of the employee and others in the workplace.

This policy applies to all Agency employees, whether they are on Agency property, or they are performing Agency-related business elsewhere, except as this policy is superseded by federally mandated drug and alcohol policies. Compliance with this policy is a condition of employment. Disciplinary action will be taken against those who violate this policy.

A. PROHIBITED CONDUCT

The following are strictly prohibited by the Agency:

1. The manufacture, distribution, sale, dispensation, possession, or use of any controlled substance, narcotic (including marijuana), or prescription drug that has not been lawfully prescribed to the employee in Agency workplaces, Agency vehicles, or wherever Agency business is performed.
2. Working or being subject to call in if impaired by alcohol or any controlled substance, narcotic (including marijuana), or prescription drug that has not been lawfully prescribed to the employee.
3. An employee's failure to notify the General Manager before beginning work when taking medications or drugs, including but not limited to: prescription drugs, over the counter medications, or illegal drugs or narcotics (including marijuana), which could interfere with the safe and effective performance of duties or operation of Agency.
4. An employee's failure to notify the General Manager of any criminal conviction for a drug violation that occurred in the workplace within five days after such conviction.
5. An employee's criminal conviction for a drug violation that occurred in the workplace.

B. DRUG AND ALCOHOL TESTING

The Agency has discretion to test applicants and employees for alcohol and drug use under the following circumstances. The Agency will use an outside laboratory to perform all testing.

1. **Pre-Employment Testing for External Applicants for Certain Jobs**

Those external applicants who apply for certain jobs where a special need for pre-employment drug and alcohol testing exists must take and pass a drug and alcohol test following a conditional offer of employment. The categories of jobs subject to pre-employment drug and alcohol testing include, but is not limited to, safety sensitive jobs.

2. Reasonable Suspicion Testing

The Agency may require a blood test, urinalysis, or other drug and/or alcohol screening of those employees who are reasonably suspected of using or being under the influence of a drug or alcohol at work, under the following circumstances:

- **Reasonable Suspicion:** “Reasonable suspicion” to test exists if, based on objective factors, a reasonable person would believe that the employee is under the influence of drugs or alcohol at work. Examples of objective factors, include, but are not limited to: unusual behavior, slurred or altered speech, body odor, red or watery eyes, unkempt appearance, unsteady gait, lack of coordination, sleeping on the job, a pattern of abnormal or erratic behavior, a verbal or physical altercation, puncture marks or sores on skin, runny nose, dry mouth, dilated or constricted pupils, agitation, hostility, confused or incoherent behavior, paranoia, euphoria, disorientation, inappropriate wearing of sunglasses, tremors, or other evidence of recent drug or alcohol use. If Agency suspects drugs or alcohol may have played a role in an accident involving Agency property or equipment that will also constitute reasonable suspicion.
- **Document and Analysis:** In order to receive authority to test, the supervisor must record the factors that support reasonable suspicion in writing and analyze the matter with the General Manager. Any reasonable suspicion testing must be pre-approved by the General Manager.
- **Testing Protocol:** If the documentation and analysis show that there is a reasonable suspicion of drug or alcohol abuse at work, and the General Manager has approved, the employee will be relieved from duty, transported to the testing facility and to their home after the test. The employee will be placed on sick or other paid leave until the test results are received.

If an employee refuses to consent and submit to, or fail to otherwise cooperate in, the testing/examination process where job-related drug or alcohol use is reasonably suspected, the employee will be subject to discipline, up to and including, dismissal.

C. DISCIPLINARY OR OTHER ACTION

If it is determined by a test, examination, or by other means that an employee is using or are under the influence of drugs or alcohol while on duty, or otherwise in violation of the terms of this policy, the employee will be subject to discipline, up to and including, termination of employment. For the purpose of applying this policy, being under the influence of drugs, alcohol and other controlled substances means being impaired in any way which would prevent the employee from fully and proficiently performing job duties or having a detectable amount of said substances in one's body.

Violation of the above rules and standards of conduct will not be tolerated. The Agency also may bring the matter to the attention of appropriate law enforcement authorities. Except as prohibited by law, an employee's conviction on a charge of illegal sale or possession of any controlled substance while off Agency property will not be tolerated because such conduct, even though off duty, reflects adversely on the Agency.

D. PRESCRIPTION AND OVER THE COUNTER DRUGS

Any employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work. (This does not require disclosure of the reason for taking the drug.) The employee may be required to provide a physician's statement confirming their fitness for duty.

E. COMMERCIAL DRIVER'S LICENSE/ SAFETY SENSITIVE FUNCTIONS

The Agency is required to implement a drug testing program for all of its employees whose job classification requires them to have a commercial driver's license (Class A or B license) and perform safety-sensitive functions regulated by Title 49 of the Code of Federal Regulations. The Agency's Drug and Alcohol Testing Program is for those safety-sensitive positions and is contained in Appendix A.

5.3 OFF-DUTY CONDUCT

While the Agency does not seek to interfere with the off-duty conduct of its employees, certain types of off-duty conduct may interfere with the Agency's legitimate business interests. For this reason, employees should be aware of the following policies:

Employees are expected to conduct their personal affairs in a manner that does not adversely affect the Agency's or their own integrity, reputation or credibility. Illegal off-duty conduct on the part of an employee that adversely affects the Agency's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

5.4 OUTSIDE EMPLOYMENT

While employed by the Agency, employees are expected to devote their energies to their jobs with the Agency. For this reason, second jobs are discouraged. The following types of outside employment, both paid or through self-employment, are strictly prohibited:

- A. Employment that conflicts with an employee's work schedule, duties and responsibilities;
- B. Employment that creates a conflict of interest or is incompatible with the employee's employment with the Agency;
- C. Employment that impairs or has a detrimental effect on the employee's work performance with the Agency;
- D. Employment that requires the employee to conduct work or related activities on the Agency's property during the Agency's working hours or using the Agency's facilities and/or equipment;
- E. Employment that directly or indirectly competes with the business or the interests of the Agency.

All employees must obtain written approval from the General Manager or their designee prior to undertaking any outside employment.

5.5 PUNCTUALITY AND ATTENDANCE

Employees of the Agency are expected to be punctual and regular in attendance. Any tardiness or absence causes disruptions for fellow employees and supervisors since while absent, the individual's workload must be performed by others.

Employees are expected to report to work as scheduled, on time, and prepared to start work. Employees also are expected to remain at work for their entire work schedule, except for meal periods or when required to leave on authorized Agency business. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided.

If unable to report for work on any particular day, the employee must call the employee's supervisor at least one half hour before the time they are scheduled to begin working for that day. In all cases of absence or tardiness, employees must provide their supervisor with an honest reason or explanation. Employees also must inform their supervisor of the expected duration of any absence. Unless there are extenuating circumstances, employees must call in on each day they are scheduled to work that they will be absent or tardy.

Excessive absenteeism or tardiness (whether excused or not) will not be tolerated.

If the employee fails to report for work without notification to their supervisor and the absence continues for a period of three consecutive days, the Agency will consider that the employee has abandoned their employment and have voluntarily resigned.

5.5 PERSONAL STANDARDS

These personal standards are designed to promote the Agency's legitimate and non-discriminatory goals to promote workplace safety and a professional image that is consistent with the employee's job duties and level of public contact.

Employees are expected to wear clothing appropriate for the nature of the Agency's business and the type of work performed. Clothing should be neat, clean, and in good repair. Employees are expected to avoid clothing that can create a safety hazard. Department managers may issue more specific guidelines. Violation of the Agency's personal standards could result in disciplinary action up to and including termination.

Field employees shall be issued uniforms, which they are required to wear daily. It is the responsibility of the employees to launder their own uniforms.

Field employees are required to wear approved ~~steel toe~~ safety shoes at all times and will be reimbursed up to \$250 for one pair each year by the Agency. It is the responsibility of the employee to purchase properly fitting footwear prior to reimbursement.

Employees and visitors are required to wear safety equipment when visiting or working in an area designated as a "hard hat area."

Field employees, when leaving the Agency's employment, shall return all uniforms to the Agency.

Employees who have questions about how these standards apply to them, should be immediately raise these questions with their supervisor for consideration and determination.

5.6 CUSTOMER RELATIONS

The Agency is a service oriented business and all employees must remember that the customer is the first priority. Customers are to be treated courteously and given proper attention at all times. Never regard a customer's question or concerns as an interruption or an annoyance. All customer inquiries must be addressed promptly and professionally. Never place a telephone caller on hold for an extended period. Direct incoming calls to

the appropriate person and make sure the call is received. Employees are expected to be polite, courteous, prompt and attentive to every customer. When a situation arises where the employee does not feel comfortable or capable of handling the problem, the supervisor or General Manager should be called immediately.

5.7 CONFIDENTIALITY

Each employee is responsible for safeguarding confidential information obtained in connection with his or her employment. In the course of employment, employees may have access to confidential information regarding the Agency, its suppliers, its customers or fellow employees. Employees shall not reveal or divulge any such confidential information. This obligation to maintain the confidentiality of such information shall continue even after employment with the Agency ends. Access to confidential information should be on a "need-to-know" basis and must be authorized by a supervisor. Any breach of this policy will not be tolerated, and legal action may be taken by the Agency.

5.8 BUSINESS CONDUCT AND ETHICS

No employee may accept a gift or gratuity from any customer, vendor, supplier, or other person doing business with the Agency that may give the appearance of undue influence or a conflict of interest regarding their business decision, transaction, or service. Employees must discuss any expenses paid by such persons for business meals or trips with the General Manager in advance of acceptance.

5.9 FRAUD IN THE WORKPLACE

A. PURPOSE AND SCOPE

To establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other related dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries.

B. GENERAL

The Agency is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the Agency to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the Agency and, when appropriate, to pursue legal remedies available under the law.

C. DEFINITIONS

1. Fraud: Fraud and other similar irregularities include, but are not limited to:
 - a. Claim for reimbursement of expenses that are not job-related or authorized by the current Agency policy.
 - b. Forgery or unauthorized alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.).
 - c. Misappropriation of Agency assets (funds, securities, supplies; furniture, equipment, etc.).
 - d. Improprieties in the handling or reporting of money transactions.
 - e. Authorizing or receiving payment for goods not received or services not performed.
 - f. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Agency-owned software.
 - g. Misrepresentation of information on documents.
 - h. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.
 - i. Any violation of the Fair Political Practices Act, regulation of the Fair Political Practices Commission, or the Bighorn-Desert View Water Agency Conflict of Interest Code.
2. Employee: In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, from the Agency. The term also includes any volunteer who provides services to the Agency through an arrangement with the Agency.
3. Management: In this context, management refers to any administrator, manager, director, supervisor, or other individual who manages or supervises funds or other resources, including human resources.
4. Personnel Department: In this context, Personnel Department refers to any person or persons assigned by the General Manager to investigate any fraud or similar activity.

5. External Auditor: In this context, External Auditor refers to independent audit professionals who perform annual audits of the Agency's financial statements.

D. INVESTIGATION

1. It is the Agency's intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the Agency of any party who might be or become involved in or becomes the subject of such investigation.
2. Each department of the Agency is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.
3. The Personnel Department, in conjunction with the Agency Attorney, has the primary responsibility for the investigation of all activity as defined in this policy.
4. Throughout the investigation, the Personnel Department will inform the General Manager of pertinent investigative findings.
5. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Agency nor any person acting on behalf of the Agency shall:
 - a. Dismiss or threaten to dismiss the employee,
 - b. Discipline, suspend, or threaten to discipline or suspend the employee,
 - c. Impose any penalty upon the employee, or
 - d. Intimidate or coerce the employee.
6. Violations of the whistle-blower protection will result in discipline up to and including dismissal.

7. Upon conclusion of the investigation, the results will be reported to the General Manager.
8. The General Manager, following review of investigation results, will take appropriate action regarding employee misconduct. Disciplinary action can include termination, and referral of the case to the District Attorney's Office for possible prosecution.
9. The Agency will pursue every reasonable effort, including court ordered restitution, to obtain recovery of Agency losses from the offender, or other appropriate sources.

E. PROCEDURES

1. Board of Directors Responsibilities

- a. If a member of the Board of Directors has reason to suspect that a fraud has occurred, they shall immediately contact the General Manager (or contact the Agency Attorney if the General Manager is involved).
- b. The Board member shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the General Manager or Agency Attorney.
- c. The alleged fraud or audit investigation shall not be discussed with the media by any person other than through the General Manager in consultation with the Agency Attorney and the Personnel Department.

2. Management Responsibilities

- a. Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.
- b. Each manager should be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in their area.

- c. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
- d. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact the General Manager or immediate supervisor (or contact the Board President or Agency Attorney if the General Manager is involved).
- e. Department Directors should inform the General Manager (or contact the Board President or Agency Attorney if the General Manager is involved).
- f. Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
- g. Management should support the Agency's responsibilities and cooperate fully with the Personnel Department, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
- h. Management must give full and unrestricted access to all necessary records and personnel. All Agency furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
- i. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should avoid the following:
 - 1. Incorrect accusations.
 - 2. Alerting suspected individuals that an investigation is underway.
 - 3. Treating employees unfairly.

4. Making statements that could lead to claims of false accusations or other offenses.
- j. In handling dishonest or fraudulent activities, management has the responsibility to:
1. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to “what employees did”, “the crime”, “the fraud”, “the misappropriation”, etc.
 2. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Agency, unless specifically directed to do so by the Agency Attorney.
 3. Avoid discussing the case with anyone inside the Agency other than employees who have a need to know such as the General Manager, Personnel Department, or Agency Attorney or law enforcement personnel.
 4. Direct all inquiries from the suspected individual, or their representative, to the General Manager or Agency Attorney. All inquiries by an attorney of the suspected individual should be directed to the Agency Attorney. All inquiries from the media should be directed to the General Manager.
 5. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Personnel Director, in conformance with the Agency’s Personnel Policies and Procedures.

3. Employee Responsibilities

- a. A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee’s supervisor for reporting to the General Manager.
- b. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the General Manager (or contact the Board President

or Agency Attorney if the next higher level of management and/or the General Manager is involved).

- c. The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the General Manager, Personnel Department, Agency Attorney or law enforcement personnel.

4. Personnel Department Responsibilities

- a. Upon assignment by the General Manager, the Personnel Department or General Manager's designee will promptly investigate the fraud.
- b. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Personnel Department, in consultation with the Agency Attorney, will contact the County of San Bernardino Sheriff Department.
- c. The Personnel Department shall be available and receptive to receiving relevant, confidential information to the extent allowed by law.
- d. If evidence is uncovered showing possible dishonest or fraudulent activities, the General Manager or Personnel Department will proceed as follows:
 - 1. Discuss the findings with the appropriate management/supervisor and the Department Director.
 - 2. Advise management, if the case involves staff members, to meet with the General Manager (or his/her designated representative) to determine if disciplinary actions should be taken. Any disciplinary action taken will be in accordance with the Agency Personnel Rules.
 - 3. Report to the External Auditor such activities in order to assess the effect of the illegal activity on the Agency's financial statements.

4. Coordinate with the Agency's Risk Management insurer regarding notification to insurers and filing of insurance claims.
5. Take immediate action, in consultation with the Agency Attorney, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - a. Removing the records and placing them in a secure location, or limiting access to the location where the records currently exist.
 - b. Preventing the individual suspected of committing the fraud from having access to the records.
- e. In consultation with the Agency Attorney and the County of San Bernardino Sheriff Department, the Personnel Department may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.
- f. If the Personnel Department is contacted by the media regarding an alleged fraud or audit investigation, the Personnel Department will consult with the General Manager and the Agency Attorney, as appropriate, before responding to a media request for information or interview.
- g. At the conclusion of the investigation, the Personnel Department will document the results in a confidential memorandum report to the General Manager and the Agency Attorney. If the report concludes that the allegations are founded, the report will be forwarded to the County of San Bernardino Sheriff Department.
- h. Unless exceptional circumstances exist, a person under investigation for fraud is to be given notice in writing of essential particulars of the allegations following the conclusion of the audit. Where notice is given, the person against whom allegations are being made may submit a written explanation to the Personnel Department no later than seven calendar days after notice is received.

- i. The Personnel Department will be required to make recommendations to the appropriate department for assistance in the prevention of future similar occurrences.
- j. Upon completion of the investigation, including all legal and personnel actions, all records, documents, and other evidentiary material, obtained from the department under investigation will be returned by the Personnel Department to that department.

F. EXCEPTIONS

There will be no exceptions to this policy unless provided and approved in writing by the General Manager and the Agency Attorney.

ARTICLE 6.0 OPERATIONAL CONSIDERATIONS

6.1 EMPLOYER PROPERTY

Lockers, desks, vehicles, and tools are Agency property and must be maintained according to Agency rules and regulations. Employees should have no expectation of privacy in Agency property. The Agency reserves the right to search all Agency property at any time with or without notice. All Agency property must be kept clean and are to be used for work-related purposes only. Prior written authorization must be obtained from a supervisor before any Agency property may be removed from the premises.

6.2 USE OF AGENCY ELECTRONIC RESOURCES

The Agency uses various forms of electronic resources including, but not limited to computers, laptops, e-mail, telephones, Internet, cell phones, personal digital devices ("PDAs"), software, databases, hardware, digital files, and networks ("Electronic Resources"). All Electronic Resources remain the sole property of the Agency and are to be used only for Agency business.

The Agency periodically and without prior notice, monitors, reviews, accesses, or retrieves data from its Electronic Resources, including electronic communications and content contained in or transmitted through Agency Electronic Resources. Agency employees must provide the agency with the employee's username or password for any Agency Electronic Resources issued equipment or resource. Personal passwords may be used for purposes of security, but the use of personal passwords or delete functions does not restrict the Agency's access. As a result, Agency employees have no expectation of privacy in their use of any Agency Electronic Resources.

Electronic communication and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Agency policy, or not in the best interest of the Agency.

Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related actions will be subject to disciplinary action up to and including termination.

Employees may not install personal software on Agency computer systems.

All electronic information created by any employee using any means of electronic communication is the property of the Agency and remains the property of the Agency.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Agency management.

No employee may install or use anonymous e-mail transmission programs or encryption of e-mail communications, except as specifically authorized by the General Manager.

Employees who use devices on which information may be received and/or stored, including but not limited to cell phones, cordless phones, portable computers, fax machines, and voice mail communications are required to use these methods in strict compliance with the trade secrets and confidential communication policy established by the Agency. These communications tools should not be used for communicating confidential or sensitive information or any trade secrets.

Access to the Internet, websites, and other types of Agency-paid computer access are to be used for Agency-related business only. Any information about the Agency, its products or services, or other types of information that will appear in the electronic media about the Agency must be approved by the General Manager before the information is placed on an electronic information resource that is accessible to others.

The Agency's email system is an official communication tool for Agency business. The Agency establishes and assigns official email addresses to each employee as the Agency deems necessary. Employees must send all Agency communications that are sent via email to and from their official Agency email address. Employees are prohibited from using their private email address when communicating Agency business via email. Should an email related to Agency business be sent to an employee's personal email account, the email should be immediately forwarded to the employee's Agency email account and responded to accordingly.

Employees may use Agency telephones, cell phones, internet access, and e-mail for incidental personal communications provided that the use:

1. Is kept to a minimum and limited to break times or non-working hours;
2. Does not interfere or conflict with Agency operations or the work performance of any Agency employees;
3. Allows the employee to more efficiently perform Agency work;
4. Is not abusive, illegal, inappropriate, or prohibited by this policy (e.g., no social media use, no electronic dating, no gaming); and

5. Clearly indicates it is for personal use and does not indicate or imply City-Agency sponsorship or endorsement.

Questions about access to electronic communications or issues relating to security should be addressed to the immediate supervisor.

6.3 OFF-DUTY USE OF AGENCY'S FACILITIES AND PROPERTY

Employees are prohibited from making use of Agency facilities while not on duty. Employees are expressly prohibited from using Agency facilities, Agency property, Agency vehicles, or Agency equipment for personal use.

6.4 HEALTH AND SAFETY

Every employee is responsible for the safety of themselves as well as others in the workplace. To achieve the Agency's goal of maintaining a safe workplace, all employees must be safety conscious at all times. In compliance with California law, and to promote the concept of a safe workplace, the Agency maintains an Injury and Illness Prevention Program. The Injury and Illness Prevention Program is available for review by employees and/or employee representatives in the General Manager's office.

In compliance with Proposition 65, the Agency will inform employees of any known exposure to any hazardous material.

6.5 HOUSEKEEPING

All employees are expected to keep their work areas and vehicles clean and organized. Common areas such as lunchrooms, locker rooms and rest-rooms should be kept clean by those using them.

6.6 SOLICITATION AND DISTRIBUTION OF LITERATURE

In order to ensure efficient operation of the Agency's business and to prevent annoyance to employees, it is necessary to control solicitations and distribution of literature on Agency property. All employees are expected to follow the following rules regarding solicitation or distribution of literature. Any employee who is in doubt concerning the application of these rules should consult with his or her supervisor immediately.

- No employee shall solicit or promote support for any cause or organization during their working time or during the working time of the employee or employees at whom such activity is directed.

- No employee shall distribute or circulate any written or printed material in work areas at any time, or during their working time or during the working time of the employee or employees at whom such activity is directed.
- Under no circumstances will non-employees be permitted to solicit or to distribute written material for any purpose on Agency property.

ARTICLE 7.0 EMPLOYEE LEAVES

7.1 HOLIDAYS

The Agency observes the following paid holidays for regular full-time employees:

- January 1 (New Year's Day)
- Third Monday in January (Martin Luther King Day)
- Third Monday in February (Presidents Day)
- Last Monday in May (Memorial Day)
- July 4 (Independence Day)
- First Monday in September (Labor Day)
- November 11 (Veterans Day)
- Thanksgiving Day
- The Day Following Thanksgiving Day
- December 24 (Christmas Eve Day)
- December 25 (Christmas Day)

When a holiday falls on a [Friday or Saturday](#), the holiday will be observed on the previous [Friday](#)~~Wednesday or Thursday~~. When a holiday falls on a Sunday, the holiday will be observed on the following Monday.

7.2 VACATIONS

Paid vacation leave is a short-term leave of absence with pay for the recreation and well-being of the employee. The Agency provides paid vacation leave to its employees to facilitate time for employee rest and relaxation and encourages employees to use their paid vacation leave for recreational, restful, and restorative activities, which the Agency believes benefits both the employee and the Agency.

Temporary and part-time employees do not accrue paid vacation leave. Regular full-time employees accrue paid vacation leave while in paid status, ~~until they reach the maximum allowed unused balance.~~ Regular full-time employees accrue vacation time according to

the number of consecutive years the employee has worked for the Agency in accordance with the following:

LENGTH OF SERVICE FROM BENEFIT DATE	ANNUAL VACATION ALLOWANCE	ACCRUAL RATE PER STRAIGHT TIME HOURS WORKED	MAXIMUM ALLOWED UNUSED BALANCE
Date of hire through 4 th year:	80 hours per year	.0385	160 hours
5 th year (1461 st day) through 10 th year (3650 st day):	120 hours per year	.0575	240 hours
11 th year (3651 st day) and thereafter:	160 hours per year	.0770	320 hours

Regular full-time employees become eligible to use paid vacation leave on the first day following the pay period in which it is earned, provided an employee has first completed ninety (90) days of continuous service. Paid vacation leave may not be used until it is earned.

In general, paid vacation leave should be taken annually with the approval of the General Manager at such time as will not impair the Agency's operational needs, such as work schedule and efficiency of the Agency, with consideration given to the employee's preference. Paid vacation leave shall be scheduled in advance to provide adequate coverage of job responsibilities and staffing requirements. An employee shall provide a minimum of three (3) week's written advance notice, unless waived by the General Manager, when requesting to use paid vacation leave. All requests to use paid vacation leave must be approved in advance by the General Manager, who will attempt to approve or deny paid vacation leave requests about two (2) weeks in advance of the request to use such leave. The Agency may, at its discretion, require an employee to use accrued paid vacation leave.

Employees do not accrue paid vacation leave during unpaid leaves of absence unless required by law. If one or more paid holidays set forth in Section 7.1 occurs during a

period of time that an employee is on an approved paid vacation leave, the employee will receive the paid holiday, and no deduction from employees paid vacation leave accruals will be taken for the day of the paid holiday.

Once an employee exceeds the applicable maximum allowed unused balance, the employee's paid vacation leave will be paid out as set forth below.

On October 1 of each year, the Agency will automatically "cash out" accrued vacation leave in excess of one-half of the *maximum allowed unused balance* for each employee who has accrued vacation leave in excess of their respective *maximum allowed unused balance*. Otherwise, employees are not allowed to "cash out" vacation leave. Any employee separating from the Agency will be paid for any accrued unused paid vacation leave at their rate of pay at the time of separation.

7.3 SICK LEAVE

A. PURPOSES FOR SICK LEAVE

Sick leave is paid leave from work that an employee may use for the following purposes:

1. Diagnosis, care, or treatment of an existing health condition of, or preventative care for the employee themselves or any of the following family members of the employee: a child of any age or dependency status; a parent; a parent-in-law; a spouse; a registered domestic partner; a grandparent; a grandchildren; or a sibling; or
2. For an employee who is a victim of domestic violence, sexual assault, stalking, or other crime in order for the employee to engage in any of the following activities: (1) obtain or attempt to obtain a temporary restraining order or other court assistance to help ensure the health safety or welfare of the employee or their child; or (2) obtain medical attention or psychological counseling, services from a shelter, program or crisis center, or (3) participate in safety planning or other actions to increase safety.

B. ACCRUAL & CARRYOVER FOR DIFFERENT CATEGORIES OF EMPLOYEES

1. Full time employees who are not temporary accrue eight (8) hours of sick leave for each calendar month of paid status; part-time employees who are not temporary accrue sick leave in an amount prorated to the lower number of hours they work each calendar month in paid status.

Accrued sick leave carries over from year to year. No accrual limit applies.

2. A temporary employee who works 30 or more days within a year from the commencement of employment with the Agency accrues one (1) hour of paid sick leave for every 30 hours worked. Accrued and unused sick leave carries over to the following year of employment but a temporary employee stops earning sick leave once they have accrued 48 hours or six (6) work days/shifts of sick leave, whichever is greater.

C. SICK LEAVE USE

An employee may use accrued sick leave, in a minimum increment of two (2) hours, beginning on the 90th day after the first day of employment with the Agency, subject to the limits and request provisions in this policy.

D. PROTECTED SICK LEAVE

1. For full time employees who are not temporary employees, one-half of the employee's accrued and available annual sick leave is protected and may be used for any of the purposes stated in this policy; and
2. For temporary employees, up to 24 hours, or three (3) days, whichever is greater, of accrued and available sick leave each year is protected and may be used for any of the purposes stated in this policy. The year is measured beginning on July 1, 2015, or the employee's anniversary of hire date, whichever is later.

E. SICK LEAVE REQUEST

To request to use sick leave if the need for leave is foreseeable, an employee must give the immediate supervisor reasonable advance written or oral notice, preferably no later than 30 minutes before they are scheduled to report for work. If the need for sick leave is not foreseeable, the employee shall provide written or oral notice of the need for the leave as soon as practicable. If the employee is required to be absent on sick leave for more than one (1) day, the employee must keep the immediate supervisor informed each day as to the date the employee expects to return to work and the purpose of the leave. Failure to request sick leave as required by this policy without good reason, may result in the employee being treated as absent without leave.

Paid sick leave used as well as paid sick leave remaining will be reflected on the employee's wage statement. Employees wishing to utilize paid sick leave must indicate it on their timecard.

F. CERTIFICATION

The Agency may require that employees who are not temporary employees, provide a physician's certification to support any absence that involves the illness of the employee or family member if the Agency suspects that there is an abuse of sick leave by the employee. All employees, including temporary employees, who use paid leave to address issues related to domestic violence, sexual assault, stalking, or other crimes and who cannot provide advance notice of their need for leave must provide certification of the need for leave within a reasonable time thereafter.

G. SICK LEAVE ON SEPARATION FROM EMPLOYMENT

~~Unused sick leave is not cashed out upon termination, resignation, retirement, or other separation from employment.~~ Upon termination or resignation or retirement, an employee shall be entitled to payment for any accrued but unused sick leave in excess of 200 hours based on each two (2) hours of accrued sick leave being converted to one (1) hour of vacation leave.

In lieu of payment, unused sick leave may be converted to retirement service credits only as may be permitted under applicable retirement system laws and regulations as permitted by CalPERS.

H. SICK LEAVE REINSTATEMENT

If an employee separates and is rehired within one (1) year from separation, accrued and unused sick leave, to a maximum of six (6) days or 48 hours, whichever is greater, will be reinstated. An employee who worked at least 90 days in the initial employment with the Agency may immediately use reinstated sick leave. An employee who had not worked 90 days in the initial employment with the Agency must work the remaining amount of the 90 day-qualifying period to be able to use accrued sick leave.

7.4 OTHER LEAVES OF ABSENCE

The Board shall have the authority to grant other leaves of absence to the General Manager. The General Manager shall have the authority to grant leaves to all other Agency employees in accordance with the provisions under which eligible leaves may be granted. All leaves shall be requested on a form provided by the Agency prior to the start of the requested leave. Failure to return promptly from authorized leave without prior

authorization from the General Manager may result in disciplinary action up to and including termination.

7.5 CALIFORNIA FAMILY RIGHTS ACT LEAVE POLICY

The Agency provides leave in accordance with the California Family Rights Act (“CFRA”). Unless otherwise stated in this Policy, “Leave” means leave pursuant to the CFRA.

Employees who misuse or abuse Leave may be disciplined up to and including termination. Employees who fraudulently obtain or use Leave are not protected by the statute’s job restoration or maintenance of health benefits provisions. Please contact the General Manager for more information.

A. Definitions

1. “12-Month Period” means a rolling 12-month period measured backward from the date leave is taken and continuous with each additional leave day taken.
2. “Child” means an employee’s child, including a child who is 18 years of age or older. An employee’s child means a biological, adopted, foster, step-child, legal ward, a child of a domestic partner, or a person to whom the employee stands in loco parentis (in place of a parent).
3. “Family member” means an employee’s child, parent, spouse, domestic partner, grandchild, grandparent, and sibling.
4. “Parent” means the biological, adoptive, step or foster parent of an employee or an individual who stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.
5. “Spouse” means one or two persons to a marriage, regardless of the sex of the persons, and includes a registered domestic partner as defined below.
6. “Domestic Partner,” is another adult with whom the employee has filed a Declaration of Domestic Partnership with the Secretary of State and who meets the criteria specified in California Family Code sections 297 and 299.2. A legal union formed in another state that is substantially equivalent to the California domestic partnership is also sufficient.

7. “Grandparent” means a parent of the employee’s parent.
8. “Grandchild” means a child of the employee’s child.
9. “Sibling” means a person related to the employee by blood, adoption or affinity through a common legal or biological parent.
10. “Serious health condition” means an illness, injury impairment, or physical or mental condition that involves:
 - a. Inpatient Care (*i.e.*, an overnight stay) in a hospital, hospice or residential medical care facility, including any period of incapacity (*i.e.*, inability to work, or perform other regular daily activities due to the serious health condition, treatment involved, or recovery therefrom), or any subsequent treatment in connection with such inpatient care; or
 - b. Continuing treatment by a health care provider: A serious health condition involving continuing treatment by a health care provider includes any one or more of the following:
 1. A period of incapacity (*i.e.*, inability to work or perform other regular daily activities) due to a serious health condition of more than three consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:
 - c. Treatment two or more times within thirty (30) days of the first day of incapacity, unless extenuating circumstances exist, by a health care provider, a nurse, or by a provider of health care services (*e.g.*, a physical therapist) under orders of, or on referral by, a health care provider. The first in-person treatment visit must take place within seven days of the first day of incapacity; or
 - d. Treatment by a health care provider on at least one occasion that must take place within seven days of the first day of incapacity and results in a regimen of continuing treatment under the supervision of the health care provider. This includes, for example, a course of prescription medication or therapy requiring special equipment to resolve or alleviate the health condition. If the medication is over the counter, and can be initiated without a visit to a health care provider, it does not constitute a regimen of continuing treatment.

1. Any period of incapacity or treatment for such incapacity due to a chronic serious health condition. A chronic serious health condition is one which:
 - e. Requires periodic visits (defined as at least twice a year) for treatment by a health care provider, or by a nurse;
 - f. Continues over an extended period of time (including recurring episodes of a single underlying condition); and
 - g. May cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy). Absences for such incapacity qualify for leave even if the absence lasts only one day.
1. A period of incapacity that is permanent or long term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider.
2. Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, either for restorative surgery after an accident or other injury, or for a condition that would likely result in a period of incapacity of more than three consecutive calendar days in the absence of medical intervention or treatment.
11. "Health Care Provider" means:
 - a. A doctor of medicine or osteopathy who is authorized to practice medicine or surgery by the State of California;
 - b. Podiatrists, dentists, clinical psychologists, optometrists, and chiropractors (limited to treatment consisting of manual manipulation of the spine to correct a subluxation as demonstrated by X-ray to exist) authorized to practice in California and performing within the scope of their practice as defined under California State law;
 - c. Nurse practitioners and nurse-midwives, clinical social workers and physician assistants who are authorized to practice under

California law and who are performing within the scope of their practice as defined under California law;

- d. Christian Science practitioners listed with the First Church of Christ, Scientist in Boston, Massachusetts; and,
 - e. Any health care provider from whom an employer or group health plan's benefits manager will accept certification of the existence of a serious health condition to substantiate a claim for benefits.
12. "Covered active duty" means: (1) in the case of a member of a regular component of the Armed Forces, duty during deployment of the member with the Armed Forces to a foreign country; and (2) in the case of a member of the reserve component of the Armed Forces, duty during the deployment of members of the Armed Forces to a foreign country under a call or order to active duty under certain specified provisions.

B. ELIGIBILITY

An employee is eligible for leave if:

- 1. The employee has been employed by the Agency for at least 12 months (can be nonconsecutive work for employer over a 7-year period, except that any military leave time while employed counts towards this 12 months of service); and
- 2. The employee has been employed by the Agency for at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave.

C. PERMISSIBLE USES OF LEAVE

Leave is only permitted for the reasons listed below.

- 1. Leave because of a serious health condition that makes the employee unable to perform the functions of his or her position;
- 2. Leave for the birth of a child or to care for a newborn of an employee;
- 3. Leave after the placement of a child with an employee in connection with the adoption or foster care of a child;

4. Leave to care for a child, parent, spouse, domestic partner, grandparent, grandchild or sibling who has a serious health condition; and,
5. Leave for a variety of “qualifying exigencies” arising out of the fact that an employee’s spouse, domestic partner, son, daughter, or parent is on covered active duty or been notified of an impending call or order to covered active duty in the Armed Forces. There are eight general categories of “qualifying exigencies”: short-notice deployment, military events and related activities, childcare and school activities, financial and legal arrangements, counseling, rest and recuperation, post-deployment activities, additional activities, and parental care arrangements.

D. AMOUNT OF LEAVE

Eligible employees are entitled to a total of 12 weeks of leave during any 12-month period.

E. EFFECT OF HOLIDAYS

If a holiday observed by the Agency occurs within a week taken as CFRA leave, the holiday has no effect on the amount of CFRA leave taken and the entire week is still counted as a week of CFRA leave. However, if the employee is using CFRA leave in increments of less than one week, the holiday will not count against the employee’s leave entitlement unless the employee was otherwise scheduled and expected to work during the holiday.

F. MINIMUM DURATION OF LEAVE

If leave is requested for the birth, adoption or foster care placement of a child of the employee, leave must be concluded within one year of the birth or placement of the child. In addition, the basic minimum duration of such leave is two weeks. However, an employee is entitled to leave for one of these purposes (e.g., bonding with a newborn) for less than two weeks duration on any two occasions.

If leave is requested to care for a child, parent, spouse, domestic partner, grandparent, grandchild, sibling or the employee himself or herself with a serious health condition, there is no minimum amount of leave that must be taken. However, compliance with the notice and medical certification provisions of this Policy is required.

G. INTERMITTENT LEAVE OR LEAVE ON A REDUCED SCHEDULE

Under certain circumstances, leave may be taken intermittently or on a reduced leave schedule.

“Intermittent leave” is leave taken in separate blocks of time due to a single qualifying reason, rather than for one continuous period of time, and may include leave of periods from an hour or more to several weeks. “Reduced leave schedule” means a leave schedule that reduces the employee’s usual number of hours per workweek or workday, usually from full- to part-time.

Where leave is taken because of the birth or the placement of a child for adoption or foster care, a reduced leave schedule may only be taken if the Agency agrees. Employees may take intermittent leave because of the birth or the placement of a child for adoption or foster care in minimum increments of two weeks duration, with the exception that an employee is entitled to leave for this purpose in periods that are less than two weeks duration on any two occasions.

Where leave is taken to care for a sick family member, or for the employee’s own serious health condition, intermittent leave or leave on a reduced leave schedule may be taken when “medically necessary” (e.g., weekly physical therapy treatments). The employee must provide medical certification that there is a medical need for leave (as distinguished from voluntary treatments and procedures) and such medical need can be accommodated best through an intermittent leave or reduced leave schedule. Employees needing such leave must make a reasonable effort to schedule their leave so as not to disrupt the Agency’s operations.

If an employee needs intermittent leave or leave on a reduced leave schedule that is foreseeable based on planned medical treatment, the Agency may require the employee to transfer temporarily to an alternate position of equivalent pay and benefits during the period that the intermittent leave or reduced schedule leave is required. The Agency will not transfer employees who take unforeseeable intermittent leave.

If an employee takes leave intermittently or on a reduced leave schedule, only the amount of leave actually taken may be counted towards the 12 weeks of leave to which an employee is entitled. For example, if an employee takes one day of leave per week, he or she has used 1/5 of a week of CFRA leave. Similarly, if an employee who regularly works eight-hour days works four-hour days on a reduced leave schedule, the employee would use one-half of a week of CFRA leave.

H. SPOUSES BOTH EMPLOYED BY THE AGENCY

In any case in which both parents of a child, adoptee, or foster child are employed by the Agency and are entitled to bonding leave, each parent is entitled to take 12 workweeks of CFRA bonding leave during any 12-month period.

I. SUBSTITUTION OF PAID ACCRUED LEAVES AND LEAVE'S EFFECT ON PAY

Although leave under this Policy is unpaid, an employee may elect and the Agency will require an employee to use paid accrued leaves as described below:

1. An employee may elect and the Agency will require an employee to use accrued paid vacation or personal leave, if any, for all or part of any unpaid leave under this Policy.
2. An employee may elect and the Agency will require an employee use sick leave concurrently with leave under this Policy only if the leave is for the employee's own serious health condition. If the leave is needed to care for a parent, spouse, child, grandparent, grandchild, sibling, or domestic partner with a serious health condition, the employee may elect to use sick leave concurrently with leave under this Policy, but is not required to do so.
3. Where an employee both qualifies for CFRA leave and is taking leave pursuant to the Agency's temporary disability policy, the state disability benefit plan or worker's compensation benefits, neither the employee nor the Agency may require substitution of paid leave. However, the employee and the Agency may mutually agree to have paid leave supplement the disability plan or worker's compensation benefits.

Except to the extent that accrued paid leave are substituted for family care and medical leave, as set forth above, leave under this Policy is unpaid.

Upon becoming disabled, an employee should apply for State Disability Insurance (SDI). In addition, under the Paid Family Leave (PFL) law, employees who take time off from work to care for a seriously ill child, spouse, domestic partner, parent, grandparent, grandchild, or sibling, or to bond with a new child (entering their life either by birth, adoption, or foster care placement), may receive PFL benefits through SDI. For more information, and to obtain claim forms, employees may speak with the General Manager, visit any SDI office, or go to EDD's website at: www.edd.ca.gov. Any paid time used will be integrated so that the employee does not receive more than 100% of regular pay.

Vacation and sick leave are not earned during unpaid leaves. Employees who are eligible to accrue vacation only accrue vacation when working or when receiving another form of paid leave earned through their work (for example, when using paid vacation or sick leave), and then only for the portion of the paid leave earned through work.

J. AGENCY'S RIGHT TO REQUIRE AN EMPLOYEE TO EXHAUST CFRA LEAVE CONCURRENTLY WITH OTHER LEAVES

If an employee takes a leave of absence for any reason that also qualifies under the CFRA, the Agency may designate that leave as running concurrently with the employee's 12-week CFRA leave entitlement.

K. AGENCY'S AND EMPLOYEE'S RIGHTS IF AN EMPLOYEE REQUESTS ACCRUED LEAVE WITHOUT MENTIONING CFRA

If an employee requests to utilize accrued vacation leave, personal leave, or other accrued paid time off without reference to a CFRA qualifying purpose, the Agency may not ask the employee if the leave is for a CFRA qualifying purpose. However, if the Agency denies the employee's leave request and the employee provides information that the requested time off is for a CFRA qualifying purpose, the Agency may require the employee to exhaust accrued leave as described above.

L. EMPLOYEE BENEFITS WHILE ON LEAVE

1. Group Health Insurance During Unpaid Leave

Leave under this Policy is unpaid. While on unpaid leave, employees will continue to be covered by the Agency's group health insurance (which includes health, dental and vision) for up to 12 weeks each leave year to the same extent that coverage is provided while the employee is on the job. If the employee is disabled by pregnancy, coverage will continue up to four months each leave year (see below for more information). If an employee disabled by pregnancy also uses leave under the CFRA for baby-bonding, the Agency will maintain her coverage while she is disabled by pregnancy (up to four months or 17 1/3 weeks) and during her CFRA leave (up to 12 weeks).

2. Benefit Plans Not Provided through the Agency's Group Health Plan During Unpaid Leave Do Not Continue

The Agency does not pay for benefit plans that are not part of the group health plan for any employee on unpaid leave. As a result, employees will not continue to be covered under the Agency's benefit plans that are not provided through the Agency's group health plans while the employee is on unpaid leave.

3. Payment of Premiums

Employees may make the appropriate contributions for continued coverage under the health benefits plans by payroll deductions (if the employee is using his or her paid leave) or direct payments (if the employee is not using his or her paid leave). The Agency will inform the employee whether the direct payments for premiums should be paid to the carrier or to the Agency, and the deadlines for paying premiums in order to prevent coverage from being dropped. Employee contribution rates are subject to any changes in rates that occur while employee is on leave.

4. Recovery of Premium if the Employee Fails to Return from Leave

If an employee fails to return to work after his or her leave entitlement has been exhausted or expires, the Agency shall have the right to recover its share of health plan premiums for the entire leave period, unless the employee does not return because of the continuation, recurrence or onset of a serious health condition of the employee or his or her family member that would entitle the employee to leave or because of circumstances beyond the employee's control.

M. NOTICE REQUIREMENTS

Although the Agency recognizes that emergencies arise which may require employees to request immediate leave, employees are required to give as much verbal or written notice as possible of their need for leave. If leave is foreseeable, at least thirty (30) days' notice is required. In addition, if an employee knows that he or she will need leave in the future, but does not know the exact day(s) (e.g., for the birth of a child or to take care of a newborn), the employee shall inform his or her supervisor as soon as possible that such leave will be needed. For foreseeable leave due to a qualifying exigency, an employee must provide verbal or written notice of the need for leave as soon as practicable, regardless of how far in advance such leave is foreseeable.

N. MEDICAL CERTIFICATIONS

Employees who request leave must provide a medical certification and/or recertification to support the need for the leave as described below:

1. Employee's Own Serious Health Condition

Employees who request leave for their own serious health condition must provide written certification from the health care provider that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; and a statement that, due to the serious health condition, the employee is

unable to work at all or is unable to perform any one or more of the essential functions of his or her position. Upon expiration of the time period the health care provider originally estimated that the employee needed for his or her own serious health condition, the employee must obtain recertification if additional leave is requested.

2. Family Member Serious Health Condition

Employees who request leave to care for a child, parent, domestic partner, spouse, grandparent, grandchild, or sibling who has a serious health condition must provide written certification from the health care provider of the family member requiring care that contains all of the following: the date, if known, on which the serious health condition commenced; the probable duration of the condition; an estimate of the amount of time which the health care provider believes the employee needs to care for the child, parent, domestic partner, spouse, grandparent, grandchild, or sibling and a statement that the serious health condition warrants the participation of the employee to provide care during a period of treatment or supervision of the child, parent, spouse, domestic partner, grandparent, grandchild, or sibling. The term “warrants the participation of the employee” includes, but is not limited to, providing psychological comfort, and arranging third party care for the covered family member, as well as directly providing, or participating in, the medical care. Upon expiration of the time period the health care provider originally estimated that the employee needed to care for a covered family member, the employer must obtain recertification if additional leave is requested.

3. Qualifying Exigency

The first time an employee requests leave because of a qualifying exigency, an employer may require the employee to provide a copy of the military member’s active duty orders or other documentation issued by the military which indicates that the military member is on covered active duty or call to active duty status in a foreign country, and the dates of the military member’s active duty service. A copy of the new active duty orders or similar documentation shall be provided to the Agency if the need for leave because of a qualifying exigency arises out of a different active duty or call to active duty status of the same or a different military member. The Agency will verify the certification as permitted by the CFRA.

4. Time to Provide Certification

When an employee’s leave is foreseeable and at least thirty (30) days’ notice has been provided, if a medical certification is requested, the employee must provide it before the leave begins. When this is not possible, the employee must provide the requested certification to the Agency within the time frame requested by the Agency (which must

allow at least fifteen (15) calendar days after the Agency's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

5. Incomplete/Invalid Medical Certification

If an employee provides an incomplete medical certification the employee will be given a reasonable opportunity to cure any such deficiency. However, if an employee fails to provide a medical certification within the time frame established by this Policy, the Agency may delay the taking of CFRA leave until the required certification is provided or deny CFRA protections following the expiration of the time period to provide an adequate certification.

If the Agency has a good faith, objective reason to doubt the validity of a certification for the employee's serious health condition, the Agency may require a medical opinion of a second health care provider chosen and paid for by the Agency. If the second opinion is different from the first, the Agency may require the opinion of a third provider jointly approved by the Agency and the employee, but paid for by the Agency. The opinion of the third provider will be binding. An employee may request a copy of the health care provider's opinions when there is a second or third medical opinion sought.

O. REINSTATEMENT UPON RETURN FROM LEAVE

Upon expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits and other conditions of employment than if the employee had been continuously employed during the CFRA period.

If a definite date of reinstatement has been agreed upon at the beginning of the leave, the employee will be reinstated on the date agreed upon. If the reinstatement date differs from the original agreement of the employee and the Agency, the employee will be reinstated within two business days, where feasible, after the employee notifies the employer of his or her readiness to return, as set forth below.

P. EMPLOYEE'S OBLIGATION TO PERIODICALLY REPORT ON HIS OR HER CONDITION

Employees may be required to periodically report on their status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

Q. FITNESS-FOR-DUTY CERTIFICATION

As a condition of reinstatement of an employee whose leave was due to the employee's own serious health condition, which made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider that the employee is able to resume work. Failure to provide such certification will result in denial of reinstatement.

7.6 LEAVE BECAUSE OF PREGNANCY, CHILDBIRTH, OR RELATED MEDICAL CONDITION

A. AMOUNT OF LEAVE

An employee who is disabled because of pregnancy, childbirth, or a related medical condition is entitled to an unpaid leave for up to the number of hours she would normally work within four calendar months (one-third of a year or 17 1/3 weeks). For a full-time employee who works 40 hours per week, “four months” means 693 hours of leave entitlement, based on 40 hour per week times 17 1/3 weeks. An employee who works less than 40 hours per week will receive a pro rata or proportional amount of leave.

B. NOTICE & CERTIFICATION REQUIREMENTS

1. Notice: Requests for pregnancy disability leave must be submitted in writing with reasonable advance notice of the medical need for the leave. All leaves must be confirmed in writing, have an agreed-upon specific date of return, and be submitted to the General Manager or designee.
2. Certification: The request for pregnancy disability leave must be supported by a written certification from the attending physician stating that: (1) the employee is disabled from working by pregnancy, childbirth or a related medical condition; (2) the date on which the employee became disabled by pregnancy, childbirth or a related medical condition; and (3) the estimated duration or end date of the leave.

C. COMPENSATION DURING LEAVE

Pregnancy disability leaves are without pay. However, the employee must first use sick leave, if any. Once sick leave is depleted, the employee may elect to use vacation leave or any other accrued paid time off during the leave.

D. BENEFITS DURING LEAVE

1. Group Health Insurance: An employee on pregnancy disability leave may continue to receive any group health insurance coverage that was provided before her leave, beginning on the date the pregnancy disability leave begins and continuing for up to four months in a 12-month period, at the same level and under the same conditions that coverage would have been provided if the employee had continued in employment continuously for the duration of the leave. The Agency may recover premiums it paid to maintain health coverage if an employee

does not return to work following pregnancy disability leave, unless the reason for the failure to return is a circumstance beyond her control or the use of the separate right to 12 weeks of bonding leave under the CFRA.

2. Sick and Vacation Leaves: Sick and vacation leaves do not accrue while an employee is on unpaid pregnancy disability leave.
3. Employee Status During Leave: The employee retains employee status during the leave. The leave is not a break in service for purposes of longevity or seniority under any collective bargaining agreement or employee benefit plan. Benefits will be resumed upon the employee's reinstatement in the same manner and at the same levels as provided when the leave began, without any new qualification period, physical exam, or other qualifying provisions.

E. REINSTATEMENT

1. Upon the expiration of pregnancy leave, the employee will be reinstated to her original or a comparable position, so long as it was not eliminated for a legitimate business reason during the leave.
2. If the employee's original position is no longer available, the employee will be assigned to a comparable, open position.
3. If upon return from leave an employee is unable to perform the essential functions of her job because of a physical or mental disability, the Agency will initiate an interactive process with the employee in order to identify a potential reasonable accommodation in accordance with this Handbook.

7.7 BEREAVEMENT LEAVE

In the event of the death of an employee's immediate family member, the employee may request from the General Manager a bereavement leave of up to a maximum of five (5) days per incident with pay. The immediate family is defined as a current spouse or registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, grandchild, or mother-in-law, father-in-law, sister-in-law, brother-in-law, son-in-law, or daughter-in-law [or a reproductive loss event](#).

7.8 MILITARY LEAVE

Military leave will be granted in accordance with applicable federal and state law. An employee requesting leave for this purpose shall promptly provide the General Manager with a copy of the military orders specifying the dates, site and purpose of the activity or mission. Within the limits of such orders, the General Manager may determine when the leave is to be taken and may modify the employee's work schedule to accommodate the request for leave.

7.9 JURY DUTY LEAVE

Any non-exempt employee who is required to serve on jury duty, and has completed their training period, will receive full pay while serving up to ten (10) days of jury duty per calendar year. A leave of absence without pay will be granted if jury duty exceeds the ten (10) day limit (exempt employees' salary will not be changed for jury duty service). The employee should notify the supervisor of the need for time off for jury duty as soon as a notice or summons from the court is received. The employee may be requested to provide written verification from the court clerk of having served. If work time remains after any day of jury duty, then the employee will be expected to return to work. Any mileage allowance paid by the court for jury services is to be retained by the employee.

7.10 OTHER COURT OR ADMINISTRATIVE PROCEEDING APPEARANCES

A. REGARDING AGENCY DUTIES

Any employee, including a temporary employee, who is subpoenaed to appear in court in a matter regarding an event or transaction in the course of their Agency job duties, must give their supervisor as much advance notice as is possible. The Agency will determine whether the matter involves an event or transaction in the course of the employee's Agency job duties. If so, this leave to appear in court will be without loss of compensation, and the time spent will be considered work time. The Agency will offset the amount from pay the employee receives for witness fees.

B. REGARDING EMPLOYEE-INITIATED PROCEEDINGS

Any employee, including a temporary employee, who is subpoenaed to appear, or appears in court because of civil or administrative proceedings that they initiated, is not entitled to receive compensation for time spent related to those proceedings. An employee may request to receive time off without pay, or may use any accrued leave other than sick leave for time spent related to those proceedings. The time spent in these proceedings is not considered work time.

C. REGARDING CRIME VICTIM/ VICTIM FAMILY MEMBER COURT ATTENDANCE LEAVE

Any employee, including a temporary employee, who is a victim of a crime may take leave from work to attend judicial proceedings related to that crime, if the employee provides the Agency notice of the scheduled proceeding in advance. If advance notice is not feasible, the employee must provide the Agency, within a reasonable time after the leave is taken, documentation from the District Attorney, victim's rights office, or court/governing agency that shows that the judicial proceeding occurred when the leave was used. An employee who is an immediate family member of such a crime victim, including: a registered domestic partner; the child of the registered domestic partner; spouse; child; stepchild; brother; stepbrother; sister; stepsister; mother; stepmother; father; or stepfather of the crime victim is also entitled to leave from work to attend judicial proceedings relating to that crime. The leave is unpaid unless the employee elects to use accrued vacation, sick, or other paid leave, or compensatory time off.

D. REGARDING CRIME VICTIM/ FAMILY MEMBER VICTIMS' RIGHTS PROCEEDINGS LEAVE

Any employee, including a temporary employee, who is a victim of a crime listed in Labor Code section 230.5(a)(2)(A), may take leave from work to appear in court to be heard at any proceeding in which the right of the victim is at issue, if the employee provides the Agency reasonable advance notice. If advance notice is not feasible, the employee must provide the Agency, within a reasonable time after the leave is taken, certification from a police report, a district attorney or court, or from a health care provider or victim advocate, that the employee was a victim of any of the crimes listed in Labor Code section 230.5(a)(2)(A). An employee who is a spouse, parent, child, sibling, or guardian of such a crime victim is also a victim who is entitled to this leave if the above notice or certification requirements are met. The leave is unpaid unless the employee elects to use accrued vacation or paid leave, or compensatory time off.

7.11 LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT, STALKING, OR OTHER CRIMES

A. TO OBTAIN RESTRAINING ORDERS OR INJUNCTIVE RELIEF

Any employee, including a temporary employee, who is a victim of domestic violence, sexual assault, stalking, or other crime may take leave from work to obtain or attempt to obtain any relief, including, but not limited to: a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the employee or their child, if the employee provides advance notice of the need for leave. If advance notice is not feasible, the employee must provide any of the following certifications within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator;

evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use Healthy Workplace Healthy Family Act of 2014 sick leave, accrued vacation or paid leave, or compensatory time off.

B. TO OBTAIN MEDICAL ATTENTION, COUNSELING, OR SAFETY PLANNING

Any employee, including a temporary employee, who is a victim of domestic violence, sexual assault, stalking, or other crime, may take leave from work to attend to any of the following: obtaining medical attention or psychological counseling; obtaining services from a shelter, program or crisis center; or participating in safety planning or other actions to increase safety, if the employee provides advance notice of the employee's intention to take time off for these purposes. If advance notice is not feasible, the employee must provide any of the following to the Agency within a reasonable time after the leave: a police report indicating that the employee was a victim; a court order protecting the employee from the perpetrator; evidence from the district attorney or court that the employee has appeared in court; or documentation from a health care provider or counselor that the employee was undergoing treatment for physical or mental injuries or abuse. The leave is unpaid unless the employee elects to use Healthy Workplace Healthy Family Act of 2014 sick leave, accrued vacation or personal leave, or compensatory time off.

7.12 TIME OFF FOR VOTING

In the event an employee does not have sufficient time outside of working hours to vote in a statewide election, the employee may request up to two (2) hours of paid leave either at the beginning or the end of the employee's regular working shift. Where possible, the employee shall request time off to vote from their supervisor at least two (2) working days' prior to Election Day.

7.13 CHILD SUSPENSION LEAVE

Any employee who is the parent or guardian of a child in grades 1 through 12 may take time off to go to the child's school in response to a request from the child's school, if the employee gives advance notice to their supervisor. A school has the authority to request that the parent attend the child's school if the child has: committed any obscene act; habitually used profanity or vulgarity; disrupted school activities; or otherwise willfully defied the valid authority of school personnel.

7.14 SCHOOL-RELATED LEAVE: SCHOOL OR LICENSED DAY CARE ACTIVITY LEAVE

Any employee who is a parent, guardian, stepparent, foster parent, grandparent, or person who stands in loco parentis to one or more children who are in kindergarten or grades 1 through 12, or who are in a licensed child care facility, shall be allowed up to 40 hours each school year, not to exceed eight (8) hours in any calendar month of the school year, to: (1) participate in activities of their child's school or licensed child care facility; (2) find, enroll, or reenroll a child in a school or with a licensed child care provider; or (3) to pick up a child due to a child care provider or school emergency. The employee must provide reasonable advance notice to their supervisor of the planned absence. The leave is unpaid unless the employee uses vacation, personal leave, or compensatory time off. The employee must provide documentation from the school or licensed child care facility as verification that the employee participated in school or child care facility activities on a specific date and at a particular time. If both parents, guardians or grandparents having custody work for the Agency at the same Agency work site, only the first parent requesting leave will be entitled to leave under this provision.

ARTICLE 8.0 EMPLOYEE BENEFITS

8.1 HEALTH INSURANCE

The Agency provides a comprehensive medical, vision, dental, and life insurance plan for regular full time and eligible part time employees. Health insurance for employee dependents is provided on a cost-sharing basis. An employee becomes eligible for such insurance as set forth in the Agency's insurance benefit plan documents and as required by law. In the event of an increase in health insurance premium rates, all employees may be required to contribute towards the cost of increased premiums to retain coverage.

8.2 DISABILITY INSURANCE

Each employee contributes to the state of California for disability insurance pursuant to the California Unemployment Insurance Code. Contributions are made through a payroll deduction. Disability insurance is payable when the employee cannot work because of illness or injury not caused by employment, pregnancy, or childbirth. Specific rules and regulations governing disability insurance, including, but not limited to eligibility requirements and the process for filing a claim, are available from the Employment Development Department, including on its website: <https://edd.ca.gov/>.

8.3 UNEMPLOYMENT COMPENSATION

The Agency contributes each year to the California Unemployment Insurance Fund on behalf of its employees.

8.4 RETIREMENT PLAN

The Agency contracts with the California Public Employees Retirement System ("CalPERS") to provide a plan for eligible employees in order to assist in planning for their retirement. For information regarding eligibility, contributions, benefits, and tax status, contact the General Manager. All eligible participants will receive a summary plan description.

8.5 SPECIAL COMPENSATION - UNIFORM ALLOWANCE

In compliance with the California Public Employees' Retirement System ("CalPERS") regulations and definition of Special Compensation (2 C.C.R. § 571), for "classic members" as defined by the Public Employees' Pension Reform Act of 2013 ("PEPRA"), the compensation paid or the monetary value for the purchase, rental, and/or maintenance of required uniforms shall be reported to CalPERS as Special Compensation. The Agency agrees that the amount paid for uniform rental is "pay" is

described in Title 2 of the California Code of Regulations Section 571 (a)(5) as a “statutory item” of compensation. However, it is ultimately CalPERS who determines whether any form of pay is reportable special compensation.

The Agency will report to CalPERS the average monetary value (*i.e.*, average cost) of uniform rental for only “classic members” on a per payroll basis. The average monetary value applied ~~in-to a the current calendar year~~ payroll period will be based on the prior ~~calendar-fiscal~~ year average monetary value paid for the uniform rental for “classic members” only.

The Uniform Allowance is a payroll deduction funded by the employee. The monetary value of the uniform is a benefit provided by the Agency.

8.6 EMPLOYEE OUTSIDE ACTIVITIES

It may be necessary for employees to attend training programs, seminars, conferences, lectures, meetings, or other outside activities for the benefit of the Agency or the individual employee’s employment with the Agency. Attendance at such activities may be required by the Agency or requested by individual employees. However, attendance will not be considered an officially authorized activity, subject to the following policies on reimbursement and compensation, unless prior written approval has been issued by the General Manager. To obtain approval, employees wishing to attend an activity must submit a written request detailing all relevant information about the activity, including date, hours, location, cost, expenses, nature and purpose of activity, and justification for attendance.

Where attendance is required or authorized by the Agency, customary and reasonable expenses will be reimbursed upon submission of proper receipts. Customary and reasonable expenses generally may include registration fees, materials, meals, transportation, and parking. Reimbursement policies regarding these expenses should be discussed with the General Manager in advance.

Employees will be reimbursed following successful completion of examinations for certificates that are required by their job descriptions. Similarly, renewals for required certificates will be reimbursed by the Agency. For activities that result in a letter grade (*e.g.*, A, B, C, D, or F) or a pass/fail designation, the employee must be awarded after successful completion of the activity and the receipt of a grade C or better or a pass designation.

Employee attendance at authorized outside activities, during normal working hours, will be considered hours worked for non-exempt employees and will be compensated in

accordance with normal payroll practices. Further, when an employee's participation in an activity is required by the Agency, attendance will be considered hours worked for non-exempt employees and will be compensated in accordance with normal payroll practices.

This policy does not apply to an employee's voluntary attendance, outside of normal working hours, at formal or informal educational sessions, even if such sessions may generally lead to improved job performance. While the Agency generally encourages all employees to improve their job skills and promotional qualifications, such activities will not be subject to this policy regarding reimbursement or compensation unless prior written approval is obtained as discussed above.

8.7 STUDENT LOAN ASSISTANCE BENEFIT

The Agency offers assistance in repayment of college/university student loan debt to up to two (2) eligible employees during each fiscal year. Eligibility for the benefit will be determined based on the date on which the employee has provided their request to the General Manager.

Agency approved and eligible employees may receive up to \$500 per month to repay their student loan debt to a maximum reimbursement of \$10,000 for an Associate of Arts (or Sciences) degree, \$30,000 for a four-year Bachelor's degree, or \$20,000 for a Master of Science degree from an accredited college or university.

The repayment for student loan debt for tuition, books, applications, and tests is limited to current debt that the employee has directly related to tuition payments for having received a degree (referred to above), relevant to the employee's job (as determined by the General Manager) at an accredited college or university. The requesting employee must have at least three (3) years continuous service at the Agency at the time of the request.

The requesting employee must submit paperwork satisfactory to the General Manager that confirms the debt amount (for example, if the employee only owes \$20,000 for their Bachelor of Science degree, the reimbursement maximum will be limited to \$20,000.) If the employee ceases to be a regular full-time employee, the benefit will stop. For example, should the employee become a part-time employee, temporary employee, or have their employment terminated, the benefit will no longer be available to employee.

The maximum lifetime benefit available to an employee is \$60,000.

The employee can only participate in one (1) reimbursement benefit agreement at a time. For example, an employee who has student loans for both a Masters and a Bachelor's degree would have to select the debt for which they wish to seek reimbursement.

8.8 RECREATIONAL ACTIVITIES AND PROGRAMS

The Agency or its insurer will not be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

8.9 WORKERS' COMPENSATION

The Agency, in accordance with state law, provides workers' compensation insurance coverage for employees in case of work-related injury or illness. The workers' compensation insurance benefits provided to such employees may include:

- Medical care,
- Cash benefits, generally tax free, to replace lost wages,
- Vocational rehabilitation to help qualified injured employees return to suitable employment.

To request workers' compensation insurance benefits, the employee will need to:

- Immediately report any work-related injury to the supervisor.
- Seek medical treatment and follow-up care if required.
- Complete a written Employee's Claim Form (DWC Form 1) and return it to the General Manager.

Employees must provide the Agency with a certification from their health care provider regarding the need for workers' compensation disability leave and the employee's ability to return to work from the leave based on the essential functions of the assigned position.

The Agency provides for medical treatment for work-related injuries through an Agency designated medical provider.

Employees who are injured in a work-related incident will be referred to the Agency's designated medical treatment provider, unless prior to a work-related injury, the Agency has received from the employee a written notice that the employee wishes to be treated by their own physician. Employees who do not designate their own physician will be treated by the Agency's designated medical treatment provider for work-related injuries, for at least 30 days, if required. Employees may seek treatment from their own physician after 30 days, should they so desire.

Upon submission of a medical certification that the employee is able to return to work, they will be offered the same position held at the time of leaving, unless the job has been filled in order to avoid undermining the Agency's ability to operate safely and efficiently, or the employee is not capable of performing the job responsibilities upon return. If the employee's former position is not available, a substantially similar position will be offered unless there is no substantially similar position available, or filling the available position would substantially undermine the Agency's ability to operate safely and efficiently, or the employee is not capable of performing the job responsibilities.

The law requires that this Agency notify the workers' compensation insurance company of any concerns of false or fraudulent claims. Any person who makes or causes to be made any knowingly false or fraudulent material statement or material misrepresentation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony. A violation of this law is punishable by imprisonment for one to five years, or by a fine not exceeding \$50,000 or double the value of the fraud, whichever is greater, or both. Additional civil penalties may be in order.

8.10 DEFINITION OF DOMESTIC PARTNER

A Domestic Partner is the employee's or retiree's domestic partner under a legally registered and valid domestic partnership.

For an employee or retiree to include their domestic partner as a dependent under the plan, the employee or retiree and their domestic partner must meet the following criteria:

- a. Both persons must share a common residence
- b. Neither person can be married to someone else nor be a member of another domestic partnership with someone else that has not been terminated, dissolved, or nullified
- c. The two individuals are not related by blood in a way that would prevent them from being married to each other in the state of California
- d. Both persons must be at least 18 years of age
- e. Both persons must be capable of consenting to the domestic partnership

Both persons must provide the plan administrator with a California State Registration of Domestic Partnership.

ACKNOWLEDGMENT OF RECEIPT AND REVIEW OF EMPLOYEE HANDBOOK

I hereby acknowledge that I have received and reviewed a copy of the Bighorn Desert View Water Agency EMPLOYEE HANDBOOK (hereinafter "Handbook"), and understand it contains important information regarding the Agency's general personnel policies and my privileges and obligations as an employee of the Agency. I acknowledge that I am expected to read, understand, and adhere to the Handbook and I agree to familiarize myself with its contents. I understand that if I have any questions about the Handbook or its contents, I am to discuss them with my supervisor or the General Manager.

I recognize that this Handbook supersedes and replaces any previous handbooks, and to the extent that provisions of this Handbook conflict with previously issued policies or practices, whether or not such policies and practices were contained in an employee handbook, this Handbook shall prevail. I understand that the Agency may revise, modify, delete, or add to any of the provisions in this Handbook, from time to time in its sole and absolute discretion with or without prior notice, subject to written approval by the Board of Directors. I understand that the Agency will advise employees of material changes to the Handbook within a reasonable time.

I further understand and agree that my employment with the Agency is at will, as set forth in the At Will Employment section of the Handbook, which means that my employment may be terminated with or without cause, and with or without notice, at any time by either the Agency or me. I understand and agree that nothing in this Handbook limits the right to terminate my at-will employment, with or without cause, or with or without notice. I further understand and agree that my at will employment status cannot be changed in any way, whatsoever, except in a writing which has been approved by the Board of Directors.

Employee's Name (print or type)

Date: _____

Employee Signature

Date: _____

Witness

APPENDICES A - D

**ALL APPENDICES ARE ADOPTED BY SEPARATE BOARD RESOLUTION OR
MOTION AND INCORPORATED BY REFERENCE ONLY**

APPENDIX A DRUG AND ALCOHOL TESTING PROGRAM

APPENDIX B JOB DESCRIPTIONS/CLASSIFICATIONS

APPENDIX C RANGE AND STEP SCHEDULE

APPENDIX D ORGANIZATIONAL CHART

APPENDIX A

DRUG AND ALCOHOL TESTING PROGRAM

U.S. DEPARTMENT OF TRANSPORTATION PROGRAM FOR
SAFETY-SENSITIVE EMPLOYEES ONLY

APPENDIX B

JOB DESCRIPTIONS/CLASSIFICATIONS

APPENDIX C

RANGE AND STEP SCALE

APPENDIX D

ORGANIZATIONAL CHART

**BIGHORN DESERT VIEW WATER AGENCY
FINANCE/PUBLIC RELATIONS/EDUCATION/PERSONNEL
AGENDA ITEM SUBMITTAL**

Meeting Date: March 19, 2024

To: FPREP Committee Members

Budgeted: Yes, annual cost

Budgeted Amount: TBD

Cost: TBD

From: Daniel T. Best

General Counsel Approval: N/A

CEQA Compliance: N/A

Subject: **Review Social Security Index Cost-of-Living Adjustment (COLA) for 2024 and Discuss Fiscal Year 2024/25 Cost-of-Living Adjustment to the Range and Step Scale for Staff and General Manager**

SUMMARY

The Employee Handbook indicates that, the Board, at its discretion, may grant a percentage cost-of-living adjustment (COLA) to the Range and Step Scale each year based on the Social Security Cost-of-Living Index Publication.

The Finance Committee had requested this item be brought forth earlier in the calendar year prior so the approved amount can be incorporated into the draft annual budget.

The Social Security Cost-of-Living Adjustment for calendar year 2024 is 3.2%. Staff will present the financial impact of 3.2% AND 4.0% COLA on the salary and benefits for both staff and general manager and obtain feedback from the Committee prior to seeking full Board approval by resolution.

RECOMMENDATION TO BOARD OF DIRECTORS

Review Social Security Index Cost-of-Living Adjustment for 2024 along with the overall financial health of the Agency and make a recommendation to the full Board of Directors on a COLA adjustment for Staff and General Manager effective in fiscal year 2024/25.

BACKGROUND/ANALYSIS

Per the Employee Handbook, the Board, at its discretion, may grant a percentage cost of living adjustment (COLA) to the Range and Step Appendix B each year to be effective on or about July 1. The Social Security Cost-of-Living Index Publication and the overall financial condition of the Agency shall be considered when determining any adjustment.

The Social Security Cost-of-Living Adjustment for calendar year 2024 is 3.2%. Staff will present the financial impact of a 3.2% AND 4.0% COLA on the salary and benefits for both staff and general

manager and obtain feedback from the Committee. Thereafter the resolution on the recommended adjustment to the Range and Step Scale would be brought to the full Board for their consideration.

PRIOR RELEVANT BOARD ACTION(S)

04/11/2023 Motion No. 23-012 Adopt Resolution No. 23R-05 Authorizing an 8.7% Cost-of-Living Adjustment for Non-Exempt Employees and General Manager and Amending Appendix C – Range and Step Scale Incorporated by Reference to the Employee Handbook.

4/12/2022 Motion No. 22-016 Motion to Adopt Resolution No. 22R-03 authorizing a 7.9% Cost-of-Living percentage adjustment to the “Range and Step Scale” for all non-exempt employees of the Bighorn-Desert View Water Agency and amending Appendix C of the Employee Handbook as referenced and authorizing Cost-of-Living Adjustment of 5.9% to the General Manager’s salary. The Resolution was amended to state that the effective date of the increase for non-exempt employees will be for the payroll period ending April 22, 2022 and with an effective date of July 2, 2022 for the general manager.

3/23/2022 FPREP Committee Meeting: Review 2022 Social Security Cost-of-Living Index and Discuss 2022 Cost-of-Living Adjustment for Staff and General Manager.

1/19/2022 FPREP Committee Meeting - Review 2022 Social Security Cost-of-Living Index and Discuss 2022 Cost-of-Living Adjustment for Staff and General Manager

3/26/2019 Motion No. M19-15 Motion to Determine the amount of Cost-of-Living percentage adjustment to the Range and Step Scale for staff and the General Manager; and Adopt Resolution No. 19R-01 authorizing the Cost-of-Living percentage adjustments of 2.8% to all staff but the general manager approved for 2.0% and modification to the Range and Step Scale (incorporated by reference as Appendix B of the Employee Handbook) effective July 6, 2019.

Thursday, October 12, 2023
For Immediate Release



Mark Hinkle, Press Officer
press.office@ssa.gov

News Release

SOCIAL SECURITY

Social Security Announces 3.2 Percent Benefit Increase for 2024

Social Security and Supplemental Security Income (SSI) benefits for more than 71 million Americans will increase 3.2 percent in 2024, the Social Security Administration announced today. On average, Social Security retirement benefits will increase by more than \$50 per month starting in January.

More than 66 million Social Security beneficiaries will see the 3.2 percent cost-of-living adjustment (COLA) beginning in January 2024. Increased payments to approximately 7.5 million people receiving SSI will begin on December 29, 2023. (Note: some people receive both Social Security and SSI benefits).

"Social Security and SSI benefits will increase in 2024, and this will help millions of people keep up with expenses," said Kilolo Kijakazi, Acting Commissioner of Social Security.

Some other adjustments that take effect in January of each year are based on the increase in average wages. Based on that increase, the maximum amount of earnings subject to the Social Security tax (taxable maximum) will increase to \$168,600 from \$160,200.

Social Security begins notifying people about their new benefit amount by mail starting in early December. Individuals who have a personal [my Social Security](#) account can view their COLA notice online, which is secure, easy, and faster than receiving a letter in the mail. People can set up text or email alerts when there is a new message--such as their COLA notice--waiting for them in [my Social Security](#).

People will need to have a [my Social Security](#) account by November 14 to see their COLA notice online. To get started, visit www.ssa.gov/myaccount.

Information about Medicare changes for 2024 will be available at www.medicare.gov. For Social Security beneficiaries enrolled in Medicare, their new 2024 benefit amount will be available in December through the mailed COLA notice and [my Social Security's](#) Message Center.

The Social Security Act provides for how the COLA is calculated. The Social Security Act ties the annual COLA to the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as determined by the Department of Labor's Bureau of Labor Statistics.

To read more, please visit www.ssa.gov/cola.

NOTE TO CORRESPONDENTS: Here is a [fact sheet](#) showing the effect of the various automatic adjustments.

To get more Social Security news, follow the Press Office on Twitter [@SSAPress](#).



BIGHORN-DESERT VIEW WATER AGENCY

Our Mission - "To provide a high quality supply of water and reliable service to all customers at a fair and reasonable rate."

Finance/Public Relations/Education and Personnel

Standing Committee Meeting Minutes

Committee Members: Director McKenzie & Alt. Director Chapman

BOARD MEETING OFFICE
1720 N. CHEROKEE TR.
LANDERS, CALIFORNIA 92284

January 16, 2024
Time – 4:00 P.M.

PUBLIC AND BOARD WISHING TO PARTICIPATE REMOTELY
****TELECONFERENCE LINE THRU ZOOM 669-900-6833****
OR

Join Zoom Meeting

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Passcode: 475054

Or

Dial: 1-669-900-6833

Webinar ID: 87418985098

Passcode: 475054

CALL TO ORDER

GM West noted that Director Burkhardt notified of his absence and Alternate Director Chapman will participate today. Chair McKenzie called the meeting to order at 4:11 pm.

PLEDGE OF ALLEGIANCE

Led by Director Chapman.

ROLL CALL

Directors Present: Director McKenzie
Director Chapman

Staff Present: Marina West
Daniel Best

Presentations by: Ashley Baires – Public Agency Retirement Services (PARS)
Keith Stribling – Highmark Capital Management

Public Present: Following Roll Call, 0 member(s) of the public indicated they were participating via teleconference. 0 member(s) of the public were present in the meeting room.

APPROVAL OF AGENDA

Director Chapman moved to approve the Agenda as presented. Seconded by Director McKenzie.

Discussion and Action Items

1. Presentations

- a. Public Agency Retirement Services (PARS) Presentation on Agency's Pension Rate Stabilization Fund

Ms. Ashley Baires (PARS) and Mr. Keith Stribling (Highmark Capital Management) gave a Powerpoint presentation on the Agency's Pension Rate Stabilization Fund. Ms. Baires noted that PARS 115 Trust Team serves as record keeper, consultant and central point of contact for this program. They coordinate all Agency services and monitor "plan compliance". All questions about the plan should be directed to the PARS Team.

Ms. Baires stated that US Bank is the "trustee" for the funds, being the fifth largest commercial bank and they are responsible to safeguard the plan assets. Finally, Highmark Capital Management is the investment manager.

Mr. Stribling began his presentation noting that a merger between US Bank and Union Bank has finally been completed, which means Highmark has officially being merged into US Bank's institutional asset manager, PFM. This places custodial and investment management duties under the same umbrella. Ms. Baires, mentioned that new documents will no longer state "Highmark" but will be "PFM" under US Bank.

They further reviewed the plan history, results of investments and current balance on deposits and gains/losses made since inception in June 2020 in the "Moderately-Conservative Index" is the investment strategy. Ms. Baires also reviewed the status of the Agency's CalPERS pension plan history and change in valuations. She noted that in 2022 CalPERS had a lower discount rate and negative returns that result in an increase in our liability, decreased assets and unfunded liability increases resulting in a funding ratio of 13.8% decrease or 81% funded.

Mr. Stribling reviewed the history of the "moderately conservative-passive strategy" investment fund. The strategic asset allocation is 30% stocks and 70% fixed income. He further reviewed investment performance for 2023, which was 9.8% with a 2.3% long-term performance. Asset allocation decisions are based on modest 60 basis points underweight stocks favoring value over growth. His "economic review" pointed to two forces working in opposite directions. On the one hand, aggressive fiscal policy with the government spending a lot of money on different initiatives of the current administration. On the other hand, the Federal Reserve, which was ultra-easy in the pandemic, has raised interest rates 5.25 basis points of the past year and a half and pulled back on Quantitative Easing leaving two opposite effects occurring on a big scale. First, the yield curve inverted which led to fears of recession with the tightening and the banking system tightening lending standards since they had

trouble a year ago when a few banks went under. However, it has not transpired that way as employment was “really sticky” and that helped the Federal Reserve. The yield curve at this point is flat and slightly inverted with short-term rates higher than long-term rates. Most people expect that with inflation coming down the Federal Reserve will lower short-term rates causing the yield curve to steepen and look more normal.

Other risks include inflation resurgence and the geopolitical risks in the Middle East or some other factor like the economy recovering more quickly causing Federal Reserve to lower rates and perhaps getting caught off guard if inflation were to come back resulting in a policy mistake by the Federal Reserve if that were to occur. The wars being fought: Russia and Ukraine and Israel and Gaza/Hamas. The Chinese economy and China looking at Taiwan but Mr. Stribling doesn't think that is an issue any time soon as China has a “long game approach” to most things. A bigger issue for China is the slowing economy, aging population, it is over leveraged in the real estate market and they are experiencing off shoring of manufacturing which is slowing the economy. However, China is a big growth driver with Southeast Asia as they are the second largest economy so they are a big driver. In his opinion, if geopolitical struggles “get better” then he thinks the Federal Reserve has done a good job of engineering the economy to slow down and bring down controlling inflation. However, the price tag is higher and structurally everyone is less wealthy right now. But, if the Federal Reserve can get it under control then longer term bonds come down and short term rates get closer to 2% over the next couple years. That would be supportive to the housing market and then we may avoid a recession even with the very aggressive Federal Reserve. That is the “positive scenario”.

Finally, he reviewed the asset allocation for our fund and a summary of the various index portfolio returns for comparison.

The PARS Team addressed questions posed by the Committee members.

Public Comment: None.

2. Discussion Item – Review Social Security Index Cost-of-Living Adjustment (COLA) for 2023 and Discuss Fiscal Year 2024/25 Cost-of-Living Adjustment to the Range and Step Scale for Staff and General Manager

AGM reported that the Social Security Cost-of-Living (COLA) benefit increase for 2024 is 3.2%. GM West gave additional background on the COLA process and that this begins the budgeting process. Director Chapman suggested that it be rounded to 4.0%. Staff reported that both 3.2% and 4.0% will be evaluated in the budget. Staff also reported that benefit costs are escalating quicker than expected and will provide some background on that at the next meeting.

Public Comment: None.

3. Discussion Item – 2024 Benchmarking, Organizational Structure, and Staffing Analysis

AGM Best introduced the subject by noting it is a good time to look at benchmarking and organizational structure. GM West added that this is an opportune time for AGM Best to develop the plan since we have pending retirements and one vacancy at this time. AGM Best will be discussing the needs of individual staff as part of the development of a plan.

AGM Best answered questions of the Committee.

Public Comment: None.

4. Consent Items –

- a. FPREP Committee Meeting Minutes **September 19, 2023**
- b. PARS Investment Statement **August, September, October, November, 2023**

Approve as presented.

Public Comment: None.

5. Public Comment Period

None.

6. Verbal Reports - Including Reports on Courses/Conferences/Meetings.

- 1. Committee Members' Comments/Reports – none.
- 2. General Manager's Report – none.
- 3. Assistant General Manager Report – none.

7. Adjournment

Chair McKenzie adjourned the meeting at 4:57 pm

Approved by:

JoMarie McKenzie, Committee Chair

Official Seal

TRUSTED SOLUTIONS. LASTING RESULTS.

Monthly Account Report for the Period
01/01/2024 to 01/31/2024

Marina West

BIGHORN-DESERT WATER
Bighorn-Desert View Water Agency PARS PAPEBT**Plan Summary**

Beginning Plan Value as of 01/01/2024	\$252,353.54
Change in Plan Value	\$(564.18)
Ending Plan Value as of 01/31/2024	\$251,789.36

Activity Summary by Source

Source	Balance on 01/01/2024	Contributions	Earnings	Expenses	Distributions	Transfers	Balance on 01/31/2024
PENSION	\$252,353.54	\$0.00	\$(444.07)	\$(120.11)	\$0.00	\$0.00	\$251,789.36
Totals	\$252,353.54	\$0.00	\$(444.07)	\$(120.11)	\$0.00	\$0.00	\$251,789.36

Transactions for the Period

Source	Date	Description	Amount
PENSION	01/26/2024	ASSET MGMT FEES	\$(67.54)
PENSION	01/30/2024	INTER-ACCOUNT TRANSFER IN	\$52.56
PENSION	01/30/2024	INTER-ACCOUNT TRANSFER OUT	\$(52.56)
PENSION	01/30/2024	TRUST ADMINISTRATOR FEES	\$(52.57)
PENSION	01/31/2024	ACCOUNT GAINS/(LOSSES)	\$(444.07)

Investment Selection

Source	Selected Investment
PENSION	HighMark Index PLUS Moderately Conservative

Investment Objective

Selected Investment	Description
HighMark Index PLUS Moderately Conservative	The dual goals of the Moderately Conservative Strategy are current income and moderate capital appreciation. The major portion of the assets is committed to income-producing securities. Market fluctuations should be expected.

Investment Performance

Source	1-Month	3-Month	1-Year	Annualized Return			Inception Date
				3-Years	5-Years	10-Years	
PENSION	-0.18%	10.05%	5.23%	0.27%	-	-	06/16/2020

TRUSTED SOLUTIONS. LASTING RESULTS.

Monthly Account Report for the Period
01/01/2024 to 01/31/2024

Marina West

BIGHORN-DESERT WATER
Bighorn-Desert View Water Agency PARS PAPEBT

Information as provided by US Bank, Trustee for PARS. Investments are NOT insured by the FDIC or by any other Federal Government Agency, are NOT Bank deposits, are NOT guaranteed by the Bank or any Bank affiliate, and MAY lose value, including possible loss of principal. Past performance does not guarantee future results. Account balances are inclusive of Trust Administration, Trustee and Investment Management fees if applicable. Performance returns may not reflect the deduction of applicable fees, which could reduce returns. Annualized Return is the return on an investment over a period other than one year multiplied or divided to give a comparable one-year return. Information is deemed reliable but may be subject to change. The plan's Rate of Return may differ from the rate of return in the above linked document. Reasons for the difference may include the timing of transactions into and out of the plan, the duration of time the plan's funds reside in the sweep account and differences in the methodology used to calculate performance.

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October 18th, 2023

To: PRISMHealth Program Members

From: Gina Dean, CEO

Re: Healthcare Market Update

Similar to the Property & Casualty markets, the PRISMHealth program is bracing for the largest increase in industry health insurance costs in over a decade. With many members struggling with recruitments and retention, many will be forced to pass costs on to employees who are already struggling with inflation outpacing their household income. This update will outline key factors driving costs throughout the healthcare industry and also, include how the PRISMHealth program is managing healthcare inflation.

What's Driving Healthcare Costs Higher?

As with many goods and services that we purchase in the economy, there are many factors that influence the cost that we pay as a consumer and healthcare and health insurance are no different. Below is a summary of the key factors driving increased costs today and into the future.

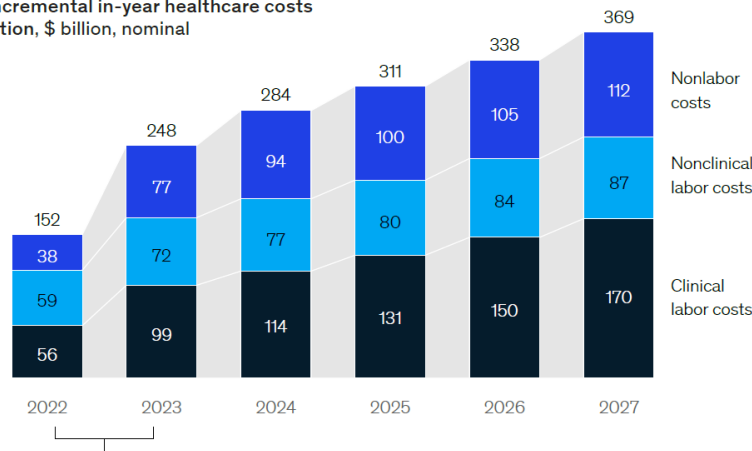
Provider Turmoil – Labor Shortage

COVID was extraordinarily disruptive for healthcare systems and providers of all kinds. Healthcare supply input costs spiked in late 2020 and 2021 during the COVID-19 crisis; labor costs per adjusted hospital discharge grew 25 percent between 2019 and 2022, closely followed by pharmaceuticals at 21 percent, supplies at 18 percent, and services at 16 percent.¹ While these costs have moderated in 2023, they continue to be above the norm; in particular, growth in labor cost remains high.

Labor Shortages have plagued providers over the last 3 years. Pandemic related retirements and job changes exacerbated an already existing nursing shortage. Hospitals hired traveling nurses at a premium; as an example, Sharp Health system spent \$18 million in 2019 and \$97 million in 2022 on traveling nurses/clinicians. UCSD Medical Center is another example, with their spend on wages increasing over 30% from \$980 million in 2019 to \$1.3 billion in 2022. Overall, labor shortages and working conditions during COVID have driven labor costs up significantly. Many providers were forced to provide significant wage increases to employees to battle attrition and avoid potential strikes. A clinical labor shortage will be a significant contributor to the projected increase in healthcare costs over the next five years.

Providers' ability to pass on their higher cost of doing business is governed by contracting life cycles and negotiation with insurance carrier networks. As a result, many providers lost a significant amount of money over the last few years with Kaiser being the best example, posting a \$4.5 billion loss for 2022. Given this contracting life cycle, providers are actively trying to raise their reimbursement rates with insurance carriers, in some cases asking insurance carriers for 20-25% increases relative to what they are getting paid today. We expect that it will take one to three years for incremental costs associated with these price increases to flow from providers to payers in the form of higher claim costs and ultimately higher insurance premiums.

Potential incremental in-year healthcare costs due to inflation, \$ billion, nominal



Inflation and clinical labor wage growth are significantly above baseline trends in 2022 and 2023 before returning to a lower rate of growth on this elevated baseline

Source: McKinsey analysis in partnership with Oxford Economics; expert input

Delay of Care – Late Diagnosis

Many people chose or were forced to delay care during COVID and many-faced delays of getting care well into 2021 and 2022. This deferred care is impacting the healthcare system in a variety of ways including a decrease in annual preventive care visits, lower rates of early detection of cancer and other critical diagnoses as well as increased incidences of depression, anxiety, and alcohol abuse. This has led to later stage discovery of cancer, unmanaged chronic disease, higher severity of conditions and ultimately more costly treatment and care for patients.

Large Claims Frequency and Severity

Million-dollar claims are becoming increasingly common, both because of new treatment options becoming available and the rising cost of care. During the past four years, Sun Life, a major Stop Loss Insurance Carrier, saw a 45% increase in the number of million-dollar claims, from 109 claims per million covered members to 158 claims per million covered members. There was a 15% increase in million-dollar claims from 2021 to 2022 alone. While many employers transfer risk to Stop Loss Carriers for these large claims, the increased frequency of these claims is driving up the cost of Stop Loss insurance which ultimately contributes to the overall cost of health insurance for employers.

Specialty Drugs

Pharmaceutical costs continue to increase as manufacturers have raised prices and brought new, high-cost drugs to market. Much of the increase in cost has been driven by specialty drugs and biologics in autoimmune, oncology therapies and diabetes drugs. These oncology cancer treatments include the transfusion and infusion of human cells to replace or repair damaged tissue and/or cells and range from \$400K to \$500K per treatment. Several gene therapies have been approved over the past few years for rare diseases and conditions that cost anywhere from \$1 million to \$5 million per single dose of treatment. New diabetes drugs like Ozempic and Mounjaro cost approx. \$13K - \$15K a year and have been popularized by celebrities for off label use for weight loss. As a result, utilization has spiked across the marketplace; Pharmacy Benefit Managers (PBM) are seeing a 36% increase in utilization and an increase in PMPM (per member per month) costs of 29%. These are just a few examples of the rising pressure increased development and FDA approval of specialty medications will continue to put on healthcare costs.

Marketplace Impact

As a result of the factors mentioned above, we are seeing higher than average increases in Medical and Pharmacy claim costs and corresponding health insurance premium increases. Kaiser increases have ranged between 10% and 25% for many employers this year. Large purchasing pools like CalPERS and PRISM saw increases range between high single digits and 15%. And major insurance carriers delivered average renewals for their pooled segment (employers with 100 to 250 employees) ranging from approximately 12% on the low end to 45% on the high end for poorly performing employers.

PRISMHealth: Managing a Hard Market

PRISMHealth is not immune to the cost trends described in this report. The two most recent renewals are indicative of these pressures with an average increase for 2024 of 12.3%, following 2023's increase of 8.9%. That said, the PRISMHealth pooled renewals are still favorable, with a ten-year annual rate of change of 5.5%.

Looking forward, the PRISMHealth Program will continue to offer more cost containment tools to mitigate some of the factors driving healthcare costs up across the nation. PRISM's self-insured structure is the most efficient way to pay for healthcare, with no carrier profit margin and reduced taxes and fees relative to fully insured products. PRISMHealth leverages the volume of the program (over \$650M in premiums) and rebates from drug manufacturers to achieve program administrative fees significantly lower than the marketplace. PRISM's unique risk-sharing and blended renewal methodology reduces the premium volatility that many employers are subject to in the direct marketplace.

PRISMHealth program will continue to incorporate unique benefit offerings that reduce the cost of surgeries via Centers of Excellence, as well as impactable chronic health conditions for individual members living with diabetes, musculoskeletal injuries, and chronic pain.

PRISMHealth has also added a new plan offering, Navigator PPO, to help simplify and improve the healthcare experience for employees and their families. The solution helps patients navigate an ever-complex healthcare system and enables an intersection – in the moment care is being sought – to direct patients to higher quality, lower cost providers. The Navigator PPO also helps direct patients to embedded disease management programs and second opinion services, which also aligns with a reduction in overall costs while still improving their experience – think of this as a patient advocate.

What Should Members Do?

There are several steps that can/should be taken during these turbulent times.

- First, communicate the state of the market to all your stakeholders so there is an understanding that this is an industry-wide problem. PRISM and Alliant are happy to participate on conference calls or attend meetings to assist with this communication if needed.
- Continue to educate your employees and their families on the available PRISMHealth services and programs to driver higher awareness and participation.
- Consider the Navigator PPO plan offering.
- Anticipate future healthcare cost increases. While the PRISMHealth Program continues to outpace overall healthcare inflation, costs will rise in the future under the current market pressures.

As noted above, the collective financial strength, expertise and resources continue to make PRISMHealth the best solution even, and perhaps especially, through these hard market conditions, which is why we say, now is the best time to be part of a pool.