

**MEMORANDUM OF UNDERSTANDING**

**between the**

**FALLBROOK PUBLIC UTILITY DISTRICT**

**and the**

**FALLBROOK PUBLIC UTILITY DISTRICT  
MANAGEMENT EMPLOYEES' ASSOCIATION**

**July 1, 2022 through June 30, 2027**

**MOU BETWEEN FPUD AND FMEA**

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## **MOU BETWEEN FPUD AND FMEA**

### **ARTICLE 1. GENERAL**

#### **SECTION 1 – PURPOSE**

This agreement recognizes the Fallbrook Public Utility District Management Employees' Association (FMEA) bargaining unit representatives as the majority representative of all regular, management, employees of the Fallbrook Public Utility District (FPUD) and represents the unit for matters within the scope of meet and confer. The bargaining unit representatives accept the duty of fair representation in meet and confer and under this agreement.

#### **SECTION 2 – SCOPE**

Meet and confer is limited to wages, hours, and other terms and conditions of employment, and shall not include any items not covered by this agreement or adopted by reference in this agreement or any subject preempted by federal or state law. Amendments to this agreement that are within the scope of meet and confer shall require prior meet and confer between the bargaining unit representatives and the District.

#### **SECTION 3 – GENERAL PROVISIONS**

##### **A. ASSOCIATION RECOGNITION**

1. FPUD formally recognizes FMEA as the representative for all employees in exempt classifications.
2. The Association may designate a maximum of 7 total representatives. The District will recognize as representatives only those persons designated on the most recent list furnished by the Association.
3. The District shall grant a representative reasonable release time when, at the request of an employee, the representative is investigating an alleged grievance and assisting in its written preparation and presentation.

##### **B. CONSTRUCTION**

In interpreting the language of this MOU, first the plain meaning of the language shall prevail. If the parties cannot agree on the plain meaning of the language, then the intent of the parties shall be considered; then the trade or industry usage of the language shall be considered.

##### **C. DISTRICT RIGHTS**

The rights of the District include, but are not limited to the exclusive right to determine the mission of its departments, commissions, committees, and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its

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employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of operations; determine the methods, means and personnel by which operations are to be conducted; set work schedules; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

### **ARTICLE 2. DURATION OF AGREEMENT**

This MOU is entered into by Fallbrook Public Utility District (FPUD) and the Fallbrook Public Utility District Management Employees' Association (FMEA), as a mutual recommendation to the Board of Directors of FPUD of those wages, hours, and conditions of employment which are to be in effect at 12:00 a.m. on July 1, 2022 and will terminate at 11:59 p.m. on June 30, 2027.

At the expiration of this MOU, in whole or in part and in the absence of a new MOU, FMEA and the District agree to continue operating under the provisions of this MOU until such time as a new MOU is reached.

### **ARTICLE 3. WAGES**

#### **SECTION 1 – WAGE INCREASES**

Cost of living adjustments (COLA) during the five-year term shall be as follows:

- A. 5% effective the first pay period which includes July 1, 2022
- B. Starting July 1, 2023, through the end of the contract term, annual COLAs shall be tied to the published Bureau of Labor Statistics, San Diego Region Consumer Price Index (CPI) for the 12-month period ending with March. The COLA will be no less than 1% and no more than 5%. This means that no COLA over the course of this contract shall be below 1% or above 5%, regardless of CPI data. For example, if the 2023 CPI data shows a .5% annual inflation rate, the COLA for July 2023 shall be 1%. However, if the 2023 CPI data shows a 6.3% annual inflation, the COLA for July 2023 shall be capped at 5%.

#### **SECTION 2 – ADJUSTMENTS**

Based on the total compensation survey data, all management employees employed in the pay period that includes July 1, 2022 shall be placed at the salary step of the salary range/grade and market median range of the new salary table that is closest to their salary in effect at the time.

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The Assistant General Manager/CFO, Engineering Manager and Field Services Manager positions that are more than 15% below their respective market median shall also receive a one-step or 2.5% increase.

### SECTION 3 – SALARY SCHEDULE

- A. The District’s salary schedule includes 10 steps (A-J) within each range.
- B. Employees are eligible for their first salary step increase upon completion of 1 year of employment and an overall rating of at least a “meets expectations” on their first annual performance evaluation. Employees are eligible to receive subsequent step increases with each of their annual performance evaluations until they reach the top step of their position’s range.
  1. An employee who receives an overall rating of “does not meets” on their annual performance evaluation is not eligible for a salary-step increase.
  2. Merit increases tied to a management employee’s annual performance evaluation overall rating shall be as follows:
    - Meets Expectations = 2.5%, one-step, increase
    - Above Expectations – 2.5%, one-step, increase, plus a one-time performance bonus annually of \$1,500
    - Exceeds Expectations – 5%, two-step, increase
  3. The General Manager must authorize an employee’s two-step salary increase for an overall annual performance evaluation rating of “exceeds expectations” before the performance evaluation is finalized and given to the employee.
  4. If a management employee is at their maximum salary step (J), they shall be eligible for a one-time payment (annually) for an overall performance evaluation rating of above or exceeds expectations, as follows:
    - \$3,500 performance bonus for above expectations
    - \$4,500 performance bonus for exceeds expectations
  5. A performance bonus is considered reportable compensation to CalPERS for Classic employees only; PEPRAs employees may still receive the performance bonus, but it will not be reported to CalPERS.

### ARTICLE 4. SERVICE

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### **SECTION 1 – FILLING OF VACANT POSITIONS**

Whenever a vacancy in a new or existing position occurs, preference in filling it shall be given to existing qualified District employees whenever possible.

- A. An employee promoted to a position with a higher pay range, but not within a position series (i.e., designated by “I/II/III”) shall be placed at the salary step within the higher pay range that results in the employee receiving no less than a 5% increase in the employee’s base hourly rate.
  - 1. For example, an employee promoted from a position at pay range 42, step B, to a position at pay range 43, shall be placed at step C of pay range 43, which is a 5% increase.
- B. An employee is eligible for promotion within a position series upon achieving the necessary certification/education/experience requirements as stated in the position’s job description.
  - 1. These types of promotions occur with an employee’s annual performance evaluation and their placement in the higher pay range shall be granted as described in Article 3. Section 4-B.

### **SECTION 2 – PROBATIONARY PERIOD**

- A. All new-hires shall serve an initial probationary period of 6 months; however, a supervisor may, with approval of the General Manager, require an extension of an employee’s initial or promotional probationary period not to exceed 12 months total.
- B. During the initial probationary period, the employee may be rejected at any time, without the right to appeal. Upon successfully completing the initial probationary period, employees achieve regular employment status.
- C. Current District employees promoted to another position outside of their current position series (i.e., promotion to a different position altogether, not from a I to II level in the same position) shall serve a promotional probationary period of not less than 6 months. A promoted employee rejected during their promotional probationary period shall be reinstated to the position from which he/she was promoted, unless he/she is terminated for cause from the District.

### **SECTION 3 – NEPOTISM**

The hiring of a current District employee’s relative is not permitted without the approval of the General Manager. A relative may only be hired if they do not work in the same department, they are not under the direct or indirect supervision of the other, and neither occupies a position which has influence over the other's employment, promotions, or salary administration. A

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relative is defined as a spouse, parent, child, sibling, grandparent, aunt/uncle, niece/nephew, cousin, mother/father-in-law, brother/sister-in-law, and domestic partners.

### **SECTION 4 – PERFORMANCE EVALUATIONS**

- A. New employees will receive their first performance evaluation at 6 months; the second at the completion of 1 year; and each year thereafter on their employment anniversary date.
- B. If an employee is promoted to a job outside of their current position series (i.e., promotion to a different position altogether, not from a I to II level in the same position, such as a utility worker I to utility worker II), their performance evaluation date will become the date of their promotion.
- C. An employee may appeal an overall performance rating of “does not meet expectations” to the General Manager. This appeal is not part of the grievance process and the decision of the General Manager is final.
- D. If an employee’s performance evaluation is more than 30 days overdue, the employee’s step increase, if applicable, shall be granted, retroactive to the date following the end of the evaluation rating period, pending their supervisor’s completion of the performance evaluation; however, it is also the employee’s responsibility to notify human resources if/when they do not receive their performance evaluation by the due date.
- E. If an employee is on a leave of absence in excess of four continuous weeks, their performance evaluation date will be extended for the same amount of time as the leave that was in excess of four weeks and that date will remain the annual performance evaluations date.

### **SECTION 5 – CERTIFICATIONS/EDUCATION & PROFESSIONAL MEMBERSHIPS**

#### **A. REQUIRED CERTIFICATIONS/EDUCATION**

Certification/education requirements are shown at the end of each job description.

- 1. If an employee is initially hired at a “no certification/education” range as indicated in their job description, they will not be allowed to remain at the “no certification/education” range indefinitely.
  - a. Upon hire, an employee hired at a “no certification/education” range will be provided with an employment agreement that clearly outlines the specific certification/education requirements of their position.
  - b. The employee’s supervisor shall provide the employee with the information and training to prepare for the necessary certification exam/s or educational pursuits.



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- c. If the employee does not successfully achieve the minimum level of certification/education, beyond the “no certification/education” range, as required of their position, they will be subject to disciplinary action.
2. Once an employee receives a required certification/education of a higher range, as indicated in their job description, they will be moved to their same step within the higher range, resulting in a 2.5% increase.
3. If an employee fails to maintain the certification/education requirements for their position, they will be subject to disciplinary action.
4. The District will reimburse employees for the cost of exams for certifications required of their position, as specifically stated in their job description.
5. The District will reimburse employees for the cost of exam for certifications that are not required of their position but are determined by the General Manager to be relative to their job duties/responsibilities.
6. If an employee does not successfully pass a certification exam within the first 2 attempts, the employee will be responsible for covering the cost/s for any additional attempts at passing the exam.
7. Certification renewal fees will be paid by the District; however, employees are responsible for any late fees incurred.

### B. OPTIONAL CERTIFICATIONS

The 2.5% “Optional Certification Pay” shall be eliminated. The District will work with the association to develop a list of all possible qualifying additional certifications based on certain job descriptions. The District’s management job descriptions shall be updated to reflect the removal of all “other” certifications from the positions’ respective pay range.

1. Membership fees for certification and/or professional associations, as approved by the General Manager, will be paid by the District.
2. Continuing education unit fees will be paid by the District and District time will be made available for the training of employees whose classifications require distribution and treatment certification. In-house training required by the State for continuing education units will be on District time and paid by the District for all certifications.
3. District approved training required by the State for continuing education units will be on District time and paid by the District for required certifications, as stated specifically in their job descriptions, or as determined by the General Manager to be related to their job duties/responsibilities.

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### **C. CONTINUING EDUCATION BONUS**

When an employee receives an additional certification, based on the list of all possible qualifying additional certifications for their respective job description, or receives a college degree for those positions that do not require one, a one-time stipend bonus of \$1,000 shall be paid to the employee, upon General Manager approval.

### **SECTION 6 – BILINGUAL PAY**

A management employee shall receive \$75.00 per pay period if they are bilingual (English/Spanish) and utilize both languages to communicate with the public.

### **SECTION 7 – OUT-OF-CLASS (OOC) PAY**

When a supervisor/manager is going to be away from the office and unavailable for more than one day, he or she may request approval from the General Manager to have a qualified employee serve in an out-of-class assignment in the supervisor's/manager's absence.

The employee approved for an OOC assignment shall receive an additional 15% out-of-class pay.

An employee serving in a partial out-of-class assignment is only eligible to receive the additional 15% out-of-class pay for time actually worked, not while on paid time off (e.g. vacation or sick leave) and/or for a District-observed paid holiday, unless they are called into work on a District-observed paid holiday.

Pursuant to Gov. Code 20630, an employee serving in a full out-of-class pay assignment shall receive the additional 15% out-of-class pay for all hours of compensation, including District-observed holidays, sick or vacation leave, industrial disability leave, and compensatory time off.

### **SECTION 8 – CAR ALLOWANCE**

The General Manager may provide certain management positions with a car allowance or use of a District vehicle.

### **SECTION 9 – ANNUAL PHYSICAL REIMBURSEMENT**

Management employees are eligible to receive reimbursement for up to \$500 each fiscal year for the cost of an annual physical that is not covered by the employee's medical insurance.

## **ARTICLE 5. HOURS OF WORK**

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### **SECTION 1 – 9/80 SCHEDULE**

The District's 9/80 work schedule has two alternating teams, "blue" and "gold" Supervisors will assign the employee to the team. All team changes will be approved by the General Manager.

Under the 9/80 schedule, assigned staff shall work, in any two week pay period, 8 weekdays (Monday - Thursday) for 9 hours each day, and 1 day (Friday) for 8 hours and off on the alternate Friday.

Some employees may not be eligible for the 9/80 work schedule due to District operational considerations, as determined by the supervisor and approved by the General Manager.

An alternate work schedule may be considered by the General Manager for employees who prefer not to work the 9/80 schedule.

## **ARTICLE 6. RESIGNATIONS & RETIREMENTS**

### **SECTION 1 – NOTIFICATION**

An employee wishing to resign or retire in good standing shall submit a written resignation at least 2 weeks prior to the effective date of resignation. The District will pay an employee for all hours worked and any applicable and available leave balances on the next regular payday following their resignation/retirement.

### **SECTION 2 – NOTIFICATION BONUS**

A one-time payment of \$500 shall be made to an employee upon receipt of their written notification of their pending resignation/retirement date if they provide the District with a 30-day notice. A one-time payment of \$1,000 shall be made to an employee upon receipt of their written notification of their pending resignation/retirement date if they provide the District with a minimum 90-day written notice of their pending resignation/retirement date. In either case, if the employee provides said notice, but resigns/retires before the end of the 30 or 90 days or if the rescind their notice of resignation/retirement, they will be required to directly repay the District for the bonus.

### **SECTION 3 – RETIREMENT BONUS**

All employees having 10 or more years of continuous service with the District, upon retirement after age 62, shall be granted an additional one-month's pay.

## **ARTICLE 7. LEAVES**

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### SECTION 1 – EXECUTIVE LEAVE

- A. Management employees accrue 1.54 hours of executive leave per pay period, up to a maximum of 120 hours.
- B. Once an employee reaches the maximum accrual of 120 hours, they will stop accruing executive leave until their balance is below 120 hours.
- C. Half ( $\frac{1}{2}$ ) of an employee's executive leave balance shall be cashed out upon voluntary termination or retirement; OR
  - 1. Upon retirement, an employee may elect to contribute up to their entire executive leave balance to an HRA, pursuant to Article 9, Section 8-C.

### SECTION 2 – VACATION

- A. Each regular and probationary employee will accrue vacation leave as follows:
  - 1 through 5 years = 4.00 hours per pay period
  - After 5 years = 4.62 hours per pay period effective on 5th anniversary
  - After 10 years = 6.15 hours per pay period effective on 10th anniversary
  - After 15 years = 7.69 hours per pay period effective on 15th anniversary
  - After 19 years = 8.00 hours per pay period effective on the 20<sup>th</sup> anniversary
- B. The General Manager may grant a newly hired management employee a higher vacation accrual rate, up to a maximum of 8 hours per pay period.
- C. If an employee's last day of employment with the District falls within the middle of a pay period, their vacation leave hours accrued for that pay period will be prorated accordingly.
- D. Employees are allowed to accrue vacation leave up to a maximum of 248 hours.
  - 1. On December 31 of each year, an employee with vacation hour balance that exceeds 248 hours will stop accruing until vacation leave is used and their balance is below 248 hours.
  - 2. When circumstances created by the District are beyond the control of the employee and make it impossible for the employee to use vacation leave as described above to reduce their maximum accrued vacation hours, the General Manager may grant an extension to the maximum accrued hours allowed until such time that the employee is able to take the necessary vacation time off to reduce their balance.
- E. Use of Vacation Time

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Any planned leave (vacation or comp time off) must be requested with as much notice as possible. Supervisors will grant requests based on the needs of the District. Requests shall not unreasonably be withheld or denied.

An employee may elect to use accrued vacation for scheduled medical, dental or vision appointments, evaluations or associated activities if they have exhausted their sick leave balance.

### **F. Payout of Vacation Leave**

Employees who terminate their employment with the District shall be paid for all accrued and available vacation leave.

### **G. Sell Back of Unused Vacation Leave Hours**

Employees may sell back unused vacation time under the following conditions:

1. A minimum of 40 hours can be requested;
2. The maximum of 80 hours can be requested;
3. The employee must have taken at least 100 hours of vacation and/or executive leave within the previous 12 months.
4. The employee must have a remaining balance of at least 80 hours of accrued vacation and/or executive leave after the sell back; and
5. Employees must complete and submit to human resources a vacation leave sell back request form by the December deadline as established by human resources each year.
  - The sell back will occur in the following December.
  - Once an employee submits a request form, it cannot be modified for revoked, per the IRS regulations.

## **SECTION 3 – SICK LEAVE**

### **A. Sick Leave Accrual**

Regular and probationary employees will accrue 3.69 hours of sick leave per pay period.

### **B. Sick Leave Use**

Sick leave usage shall be allowed for the following qualifying reasons:

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1. For the employee's own illness or injury.
2. For the employee's own diagnosis, care, or treatment of an existing health condition; or preventative care, including medical and dental appointments.
3. For the diagnosis, care, or treatment of an existing health condition or preventative care for an employee's family member, including: parent, parent-in-law, child, spouse, domestic partner, grandparent, grandchild, or sibling.
4. To obtain relief or services related to being the victim of domestic violence, sexual assault, or stalking, including the following, with appropriate certification of the need for such services:
  - A temporary restraining order or restraining order.
  - Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.
  - To seek medical attention for injuries caused by domestic violence, sexual assault or stalking.
  - To obtain services from a domestic violence shelter, program, or rape crisis center as the result of an act of domestic violence, sexual assault, or stalking.
  - To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
  - To participate in safety planning and other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.
5. In accordance with California Kin Care Law, regular full-time employees may use up to ½ of their annual accrued total sick leave to care for a family member.
6. Employees who terminate their employment with the District will be paid for 50% of unused sick leave, not to exceed payment for 400 hours.
7. If an employee's sick leave balance is exhausted, another paid leave (e.g. vacation, comp. time) will be used.
8. A sick leave absence of more than 40 hours resulting from an employee's non-work-related injury or illness will require that the employee submit a doctor's note to human resources upon their return to work.
9. Any suspected abuse of sick leave usage is subject to discipline, up to and including termination.

### C. Worker's Compensation Illness or Injury

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1. Pursuant to California Labor Code 4600, workers' comp will pay for time off for doctors' appointments that are required by the District or its insurance carrier as a result of a work-related illness or injury.
2. When an employee is injured on the job and, according to their physician, is able to return to work with temporary modifications to their job duties, the District will make every effort to place the employee in a modified assignment until he or she is released back to full duty. The nature of the assignment will depend on the physical restrictions of the employee as stated by the treating physician and the availability of a modified position in the employee's normal department or another department that is consistent with the physical restrictions. An employee's acceptance of a modified duty assignment, if available, will be mandatory.

### **SECTION 4 – BEREAVEMENT LEAVE**

In the event of a death in the family, regular and probationary employees shall be eligible for up to 3 working days off with pay to attend the funeral or make funeral arrangements, subject to the following provisions:

1. The relatives designated shall include child, parent, spouse, sibling, grandparent, grandchild, aunt/uncle, niece/nephew, cousin, and domestic partner. It shall also include "in-law" relatives and those relationships generally called "step."
2. Bereavement leave is not compensable for days falling outside an employee's regular work schedule.
3. All requests for bereavement leave shall be made in writing as soon as practical but in no event later than the first day back to work, and shall be subject to approval of the human resources manager.

### **SECTION 5 – JURY DUTY LEAVE**

Employees shall be compensated at their base hourly rate of pay for serving jury duty during the employee's regularly scheduled work hours. In order to be compensated for jury duty leave, the employee must submit to human resources a copy of their jury duty summons, along with their time-in/time-out tracking sheet as provided by the court.

### **SECTION 6 – MILITARY LEAVE**

The administration of military leave shall conform to both state and federal laws including, but not limited to, the requirements of the California Military & Veterans Code and the federal Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

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Such employee shall be entitled to the applicable leaves of absence and employment and reemployment rights and privileges provided by the Military & Veterans Code of the State of California and USERRA. The employee must provide reasonable advance notice of the need for Military Leave and must provide the District with a copy of all military orders.

An employee ordered to active duty for training purposes in the U.S. armed forces, will be paid the difference between their District salary and the basic pay received for active military duty for a maximum of 10 working days per year.

### SECTION 7 – SCHOOL OR CHILD CARE PROVIDER ACTIVITIES LEAVE

School or child care provider activities leave is the allowable use of the employee's existing leave credits to attend school or child care provider activities; to enroll or reenroll a child in a school or with a licensed child care provider; or to address a school or child care provider emergency.

A regular employee who is a parent, guardian, stepparent, foster parent or grandparent with custody, or who stands in loco parentis, of a child enrolled in grades K through 12 of a public or private school, or in a licensed child day care facility, is eligible for school or child care provider activities leave.

An employee may use up to 40 hours of his/her existing vacation, sick leave, or compensatory time hours per calendar year, but not more than 8 hours in any single calendar month, regardless of the number of children the employee may have. The 8 hour per month limitation does not apply for leave to address a school or childcare provider emergency.

- A. If the employee does not have sufficient paid leave available, he/she shall be allowed to take unpaid personal leave.
- B. Employees are required to give 48 hours advance notice, unless it is a school or childcare provider emergency as indicated in below, of their desire to take school or child care provider activities leave. Advance notice of less than 48 hours may only be given with approval by the District.
- C. The District may also require that the employee provide documentation verifying participation in school or childcare provider activities.
- D. An emergency means that an employee's child cannot remain in school or with a child care provider due to one of the following:
  - The school or child care provider has requested that the child be picked up, or has an attendance policy, excluding planned holidays, that prohibits the child from attending or requires the child be picked up from the school or child care provider;
  - Behavioral or discipline problems;
  - Closure or unexpected unavailability of the school or child care provider, excluding



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- planned holidays; and/or
- A natural disaster, including, but not limited to, fire, earthquake or flood.

### **SECTION 8 – FAILURE TO RETURN FROM LEAVE/JOB ABANDONMENT**

Except as otherwise provided by law including, but not limited to, federal and state provisions related to return from military leave, failure by an employee to return to duty or notify the District of their intent to return to duty within 48 hours of the date he/she is scheduled to return from any type of leave shall be considered an automatic resignation and the employee shall be notified of his/her automatic resignation from District employment. The District will consider evidence of extenuating circumstances if it is submitted by the employee to the District within ten (10) calendar days of the postmark of the District notice.

### **ARTICLE 8. HOLIDAYS**

#### **A. ACTUAL HOLIDAY DATES**

Following are the actual holiday dates, which may differ from the District’s observed holiday date, as described below in “B”:

New Year’s Day – January 1  
Martin Luther King, Jr. Day – 3rd Monday in January  
Presidents' Birthday – 3rd Monday in February  
Memorial Day – Last Monday in May  
Independence Day – July 4  
Labor Day – 1st Monday in September  
Veterans Day – November 11  
Thanksgiving Day – 4<sup>th</sup> Thursday in November  
Day after Thanksgiving – 4<sup>th</sup> Friday in November  
Christmas Eve - December 24  
Christmas Day – December 25  
New Year’s Eve Day – December 31

#### **B. DISTRICT OBSERVED HOLIDAYS**

Any of the actual holiday dates listed in “A” above that fall on a Saturday shall be observed (i.e., District offices will be closed) on the preceding Friday. Any of the above holidays that fall on a Sunday shall be observed on the following Monday.

#### **C. HOLIDAY PAY**

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An employee whose regularly scheduled workday falls on an actual holiday date as listed above in "A", **not** the date that a holiday is observed, shall be paid for their actual hours worked, plus holiday pay for their regular hours for that day.

1. For example, an employee on a 9/80 work schedule will receive 9 hours of holiday pay for an actual holiday date that falls on a Monday through Thursday, or 8 hours of holiday pay an actual holiday date that falls on their working Friday. An employee that regularly works a 4/10 schedule shall receive 10 hours of holiday pay for an actual holiday date that falls on their regularly scheduled workday.
2. For an employee on a 9/80 work schedule, when a holiday falls on their regular Friday off, the holiday will be observed and the employee will have the following Monday off.
3. To be eligible for holiday pay, an employee must be in paid status in the in the pay period that includes the holiday.

### **ARTICLE 9. BENEFITS**

#### **SECTION 1 – HEALTH/MEDICAL**

##### **A. ELIGIBILITY**

New regular full-time employees are eligible for health, dental and vision benefits on the first day of the month following their date of hire and upon proper application and acceptance, as set forth in the agreement between the District and ACWA/JPIA for the benefit plan year that begins January 1 and ends December 31 of each year. For the purpose of these benefits, full-time is defined as an employee who works at least 24 work hours per workweek.

##### **B. COVERAGE**

The cost of coverage for each health plan offered is provided in a premium rate sheet that is updated ahead of the start of each benefit plan year and provided to all employees during open enrollment.

1. The District pays 100% of the Kaiser plus Chiropractic plan for each coverage level: employee only, employee plus one, employee plus family. The District also pays these same amounts towards the cost of any other plan and coverage level an employee selects.
  - a. For example, if the Kaiser plus Chiropractic plan for employee-only coverage is \$600 per month and an employee selects a PPO option for employee-only coverage at a monthly cost of \$900, the District would pay \$600 and the employee would be responsible for the additional \$300 per month.

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### **C. COVERAGE TERMINATION**

An employee's medical/dental/vision coverage will end on the last day of the month in which they are no longer employed by the District. For example, if an employee resigns on May 11, their coverage will end on May 31.

Depending on the employee's medical coverage and their last day of employment, additional premium deductions may be taken from their last paycheck in order to cover any remaining monthly "employee cost."

### **D. WAIVER OF HEALTH/MEDICAL COVERAGE**

Eligible employees who provide proof of coverage under another group health insurance plan may elect to waive District-provided health coverage and will receive \$250 per month in lieu of health coverage.

## **SECTION 2 – DENTAL & VISION**

The District provides dental and vision insurance and pays the full amount of the monthly premiums for all regular full-time employees and their eligible dependents. All eligible employees are required to enroll in the dental and vision plans for employee-only coverage. For the purpose of these benefits, full-time is defined as an employee who works at least 24 work hours per workweek.

## **SECTION 3 – LIFE INSURANCE & ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)**

The first day of the month following date of hire, an employee, upon proper application and acceptance by the insurance carrier, shall be covered under a group life insurance and AD&D plan. The District shall pay the full monthly premium costs for coverage.

- A. The benefit is equal to two times an employee's base annual salary, rounded to the next higher \$1,000, up to a maximum of \$300,000.
  - 1. At age 65, but not age 70, benefit is 67% of the amount shown in "A" above.
  - 2. At age 70 or more, the amount of the insurance will be 45% of the amount shown in "A" above.

## **SECTION 4 – LONG TERM DISABILITY (LTD) INSURANCE**

The District shall pay the full monthly premium costs for employees' LTD insurance coverage. Beginning on or as near to July 1, 2019 as is administratively possible and for the term of this agreement, the District-paid LTD benefit will change from a 66<sup>2/3</sup> % pre-tax benefit to a 60% post-tax benefit, resulting in the District-paid monthly premiums being made after-tax and making the

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actual LTD benefit tax-free. To accomplish this, each employee's salary will be "grossed up" approximately 20% to off-set the amount of taxes the District will be paying for each employee.

### **SECTION 5 – FLEXIBLE SPENDING ACCOUNTS (FSA)**

The District will maintain a voluntary FSA program in accordance with applicable IRS statutes to allow employees to pay for covered expenses using pre-tax dollars.

### **SECTION 6 – STATE DISABILITY INSURANCE (SDI) & PAID FAMILY LEAVE**

Employees requested and the District implemented State Disability Insurance (SDI) at the employees' expense. Participation is mandatory. The coordination of SDI or PFL (Paid Family Leave) payments with sick leave cannot exceed the employee's regular weekly wage. Coordinating SDI payments with vacation leave does not affect your benefits. The District requires that employees use two weeks of vacation prior to receiving PFL.

### **SECTION 7 – DEFERRED COMPENSATION**

Effective July 1, 2022, the District's matching contribution to a 401(a) plan for management employees who contribute at least an equal percentage to their individual 457(b) deferred compensation plan shall increase by .5% to 2.9% of the employee's base salary.

Effective July 1, 2023, the District's matching contribution to a 401(a) plan for management employees who contribute at least an equal percentage to their individual 457(b) deferred compensation plan shall increase by .5% to 3.4% of the employee's base salary for the remainder of the contract.

### **SECTION 8 – RETIREMENT & SOCIAL SECURITY**

#### **A. CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS)**

The District participates in the California Public Employees' Retirement System (CalPERS).

1. Employees hired at the District before January 1, 2013 are considered "classic members" and contribute 8% of their salary, with the following provisions under the District's contract with CalPERS:
  - a. Pre-Retirement Option 2W Benefit;
  - b. Retirement Benefit Formula of 2.5% at age 55; and
  - c. Single Highest Year Final Compensation Option.
2. Employees hired on or after January 1, 2013 who are also "new members" will contribute 50% of the normal cost established by CalPERS pursuant to the Public Employees' Pension Reform Act (PEPRA), with the following provisions under the District's contract with CalPERS:

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- a. Pre-Retirement Option 2W Benefit;
- b. Retirement Benefit Formula of 2% at age 62; and
- c. Average of Three Highest Years' Compensation.

**B. SOCIAL SECURITY**

All employees of the District participate in the Federal Social Security Program. Payroll deductions are taken from each employee's pay and matching contributions are made by the District.

**C. HEALTH REIMBURSEMENT ACCOUNT (HRA)**

An employee hired before July 1, 2022 and retiring after age 50, with 10 or more years of continuous employment, has the option of continuing on the District's medical, dental and/or vision insurance plans using an HRA account that is funded with conversion of their sick leave hours as follows:

- 1. Using the current benefit plan year's premium rates and a 5% projection for possible cost increases in subsequent years, the District estimates the projected cost for the employee to pay 50% of the employee-only monthly premium for dental and/or vision coverage and 50% of the employee-only monthly medical premium/s, with the District paying the remaining 50% of the employee-only dental and/or vision and employee-only monthly medical premium/s.

Following is an example of how the medical premium costs are shared between the retiree and District:

	TOTAL MONTHLY PREMIUM FOR KAISER MEDICAL	RETIREE PAYS MONTHLY	DISTRICT PAYS MONTHLY
RETIREE Only Coverage	\$ 623.16	\$ 311.58	\$ 311.58
RETIREE + One	\$ 1,236.43	\$ 924.85	\$ 311.58
RETIREE + Family	\$ 1,745.45	\$ 1,433.87	\$ 311.58

- 2. The full amount as calculated in "1" above is the amount that will be transferred from the employee's final sick leave balance to their HRA account, which will be used to make the monthly premium payments until the HRA account balance is depleted or the retiree or their covered spouse, if applicable, reaches Medicare eligibility.

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The following is an HRA example for an employee that retires in 2019 at age 60 with 1500 hours of sick leave on the books and typical Medicare eligibility at age 65:

1. Value of Total 1500 Sick Leave Hours at Retirement	<b>\$67,500</b>	1500 Hours x \$45.00 (Employee's Hourly Wage)
2. Premium Cost of Retiree + Spouse Coverage for Medical, Dental & Vision		NOTE: Premium costs provided for example only, they do not represent actual rates
2019 benefit year	\$10,000	
+5% in 2020	\$10,500	
+5% in 2021	\$11,025	
+5% in 2022	\$11,567.25	
+5% in 2023	\$12,155.06	
3. Amount Deposited to HRA	<b>\$55,256.31</b>	Estimated total cost for coverage to Medicare eligibility in 2023
4. Amount of Sick Leave Remaining After Amount Deposited to HRA	<b>\$12,243.69</b>	Calculation: \$67,500-\$55,256.31
5. Hours Equivalent of Remaining Sick Leave	<b>272.08 Hours</b>	Calculation: \$12,243.69/\$45.00. *Eligible to cash out or convert to CalPERS service credit full remaining balance since less than 600 hours max. in effect for 7/1/19-6/30/20
6. Cash out value or amount to be converted to CalPERS service credit	<b>\$12,243.60</b>	Calculation: 272.08*\$45.00

3. If a retiree's HRA account balance is depleted before they become eligible for Medicare, he/she can instead begin paying their share of the monthly premiums directly to the District in order to continue coverage under the District's medical, vision and/or dental insurance plans until the retiree or their spouse, if applicable, is eligible for Medicare.
4. Once a retiree and/or their covered spouse becomes eligible for Medicare, which makes them ineligible to continue on the District's medical coverage, they are also no longer eligible to continue on the District's dental and/or vision coverage. Instead, they will receive information on continuing their coverage/s using COBRA.
5. Actual premium rates to be deducted from each retiree's HRA will be updated as the actual rates are provided for each new plan year (January 1 – December 31).
6. If applicable, any balance in the account when the retiree becomes eligible for Medicare or if they should die prior to becoming eligible for Medicare, will be available for the same use to the retiree's covered eligible dependent(s) until they become eligible for Medicare or COBRA rights are exhausted, whichever comes first. If there is no covered eligible dependent(s), any unused balance shall be forfeited.

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7. If an employee has sick leave hours remaining after the mandatory contribution to the HRA account as described above, OR if the employee chooses to not participate in the HRA, the employee has the choice of:
  - a. Cashing out half of their remaining sick leave hours balance, up to the maximum of 400 hours, or all of their remaining balance, whichever is less.
  - b. Converting half of their remaining sick leave hours balance, up to the maximum of 400 hours to CalPERS service credit. If an employee wishes to elect this option, they must inform human resources before their final date of employment with the District.

### ARTICLE 10. EDUCATIONAL PLAN

Unit members seeking participation in the educational plan must first obtain approval from the General Manager. The General Manager shall have the authorization to increase District contribution to the fund, at his/her discretion, throughout the remainder of the agreement.

If, at any time, the education fund is depleted, the District shall inform the Association immediately, in writing, that funds are no longer available, to help employees prepare for the following semester.

The funds set aside for the educational plan will not be used to replace existing funds for unit member certification and other job-related training.

An employee participating in the educational plan must receive a grade of "C" or better in each class in order to receive reimbursement.

### ARTICLE 11. LAYOFF PROCEDURES

The District agrees to meet with the bargaining unit representatives at least 30 days prior to issuance of any layoff notices for the purpose of conferring over the impact and implementation of said layoffs and to discuss alternatives and options; however, the General Manager shall retain the final decision with respect to the classifications and number of employees to be laid off.

A. The layoff process shall be administered and employees selected for layoff as follows:

<u>First:</u>	Temporary employees
<u>Second:</u>	Probationary employees
<u>Third:</u>	Part-time employees
<u>Fourth:</u>	Regular employees

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1. Regular employees in classifications identified to be laid off will be laid off in order of seniority, with the employee with the least seniority laid off first.
2. Whenever two or more employees have identical seniority in the affected classification, the order of layoff shall be determined by the General Manager on the basis of performance.
3. In lieu of being laid off, regular employees have the right to demote to a lower vacant position with the District and for which the employee meets the minimum qualifications and is capable of performing the essential functions of the position.

### **ARTICLE 12. USE OF DISTRICT VEHICLES**

Except as provided in this section, District vehicles may be used by employees only for conducting District business. Violations may result in disciplinary action, up to and including termination.

- A. An employee who is assigned a District vehicle shall not allow any other individual, including District employees, to drive the vehicle for personal use.
- B. An employee may be granted limited personal use of a District vehicle upon first receiving approval by the General Manager or his designee.

### **ARTICLE 13. DISCIPLINARY ACTION**

Violations of FPUD'S Personnel Regulations, safety rules, criminal law, and/or actions which are insubordinate, flagrantly careless and/or incompetent, or otherwise prejudicial to the best interests of the District, will be subject to disciplinary action, up to and including termination.

While it is the District's intent to take a progressive approach to disciplinary matters, progressive discipline is not required depending on the severity of the employee's misconduct.

#### **SECTION 1 – DISCIPLINARY ACTIONS NOT SUBJECT TO NOTICE AND APPEAL PROCEDURES**

- A. The following disciplinary actions may be taken to address an employee's performance deficiencies and/or to address a violation as stated above:
  1. Verbal counseling/warning
  2. Written warning
  3. Reassignment



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4. Suspension without pay for up to 3 days

### SECTION 2 – DISCIPLINARY ACTIONS SUBJECT TO NOTICE AND APPEAL PROCEDURES

- A. The following disciplinary actions require that written notice of intent to discipline be given to the employee, with an opportunity for the employee to appeal the proposed discipline:
  1. Suspension from duty without pay for 4 or more days
  2. Salary step reduction
  3. Demotion
  4. Termination from District employment
- B. A written notice of intent to discipline shall be provided to the employee not less than 10 business days prior to the effective date of the proposed disciplinary action and shall contain:
  1. Specific charges upon which action is based;
  2. The reasons why such action is being taken;
  3. Copies of the materials upon which the action is based;
  4. Information essential to give the employee a fair opportunity to answer the charges made;
  5. A time and date no less than 5 business days after the notice of intent to discipline was provided to the employee by which the employee must submit a written response, including their intent to appeal the proposed discipline either in writing or at a Skelly meeting with the General Manager; and
  6. A tentative date and time for a Skelly meeting.
- C. Failure of the employee to respond to the notice of intent to discipline shall constitute a waiver by the employee of any right to appeal the proposed discipline and will result in the discipline being imposed as originally presented.
- D. If the employee or former employee is dissatisfied with the decision made by the General Manager or his designee, he may appeal in writing, to the President of the Board of Directors. This written notice of appeal shall be filed with the Secretary of the District no later than fifteen calendar days after the date of service of the notice of the General Manager's or his designee's decision, whichever is earlier. Either party may also request a no-cost mediation through the State Mediation and Conciliation Service prior to the appeal hearing. Such

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request must be made by the employee within the same fifteen calendar day period noted above, or by the District within 15 calendar days of receiving notice of the employee's written appeal.

1. The Secretary shall schedule a hearing within thirty calendar days of the date of filing of the notice of appeal, and the Secretary shall notify the employee of the time and date fixed for the hearing. This time can be extended for good cause.
2. Upon conclusion of the hearing, the Board of Directors shall inform the employee, in writing, of their determination within 5 business days. This time can be extended for good cause.
3. The Board of Directors has the power to reinstate a discharged employee and/or to impose less severe discipline on the employee. The decision of the Board of Directors is final and cannot be appealed.

## **ARTICLE 14. GRIEVANCE PROCEDURE**

A grievance shall be considered as any matter for which appeal is not elsewhere provided concerning a dispute about the interpretation or application of the terms or conditions contained in an MOU, the Personnel Rules, or a District policy or procedure regarding the same. Timeframes, as set forth throughout the grievance procedure, may be extended by mutual agreement between the parties.

### **SECTION 1 – PURPOSE**

To provide employees, either individually or through their association representative, with a means of obtaining further consideration of a complaint or issue after every reasonable effort has failed to resolve them through less formal discussion.

### **SECTION 2 – PROCEDURE**

#### **STEP 1. FIRST LEVEL OF REVIEW - IMMEDIATE SUPERVISOR**

An employee should first try to get their complaint/issue settled informally through discussion with their immediate supervisor within 15 business days of the occurrence of the event resulting in the grievance. If the employee is not in agreement with the outcome of the discussion, they have the right to file a formal grievance, in writing, to the Operations Manager or Human Resources Manager within 10 business days after receiving the informal decision of their immediate supervisor.

#### **STEP 2. SECOND LEVEL OF REVIEW – OPERATIONS MANAGER OR HUMAN RESOURCES MANAGER**

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If an employee does not receive a satisfactory answer or resolution from their immediate supervisor, he will be allowed 10 business days to refer the grievance, in writing, to the Operations Manager, in the case of field personnel, or to the Human Resources Manager in the case of office personnel. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. After receiving the written grievance, the Operations Manager or Human Resources Manager will promptly schedule a meeting to provide the employee an opportunity to present his appeal personally. The manager who met with the employee will provide a written response within 15 business days. If the employee does not agree with the decision reached, he/she may present the appeal in writing to the General Manager.

### **STEP 3. THIRD LEVEL OF REVIEW - GENERAL MANAGER**

The General Manager or his/her designated representative should discuss the grievance with the employee, his/her representative, if any, and with other appropriate persons. The General Manager may designate any person or persons to advise them concerning the appeal. The General Manager shall render their decision in writing to the employee within 10 business days after receiving the appeal. The decision at this step shall be final and conclusive for all parties.

### **SECTION 3 – GRIEVANCE AGAINST GENERAL MANAGER**

A grievance in which the General Manager is a party may be submitted to the President of the Board of Directors. The written grievance shall detail the facts upon which the grievance is based and be dated and signed by the employee. The grievance shall be submitted to the President of the Board of Directors within 15 business days of the event resulting in the grievance. The Board of Directors will investigate the grievance and may hold a formal or informal hearing at its discretion, unless waived by the employee. The Board of Directors shall submit its written decision within 10 business days. The decision of the Board of Directors is final.

Following submission of the General Manager's answer, and before going to Section 4, Advisory Arbitration, matters which are unresolved shall be discussed at a meeting between the parties during which all pertinent facts and information will be reviewed in an effort to resolve the matter.

### **STEP 4. ADVISORY ARBITRATION.**

Any dispute or grievance which has not been resolved by the grievance procedure may be submitted to advisory arbitration by the Association Representative or the District within ten working days, following its termination in the grievance procedure. The following Advisory Arbitration procedures shall be followed:

- A. The requesting party will notify the other party in writing of the matter to be arbitrated and the contract provision(s) allegedly violated. Within 5 working days of the receipt of this notice, the parties may agree upon an arbitrator, or a panel of 3 arbitrators trained in conducting grievance hearings. If agreement on an arbitrator cannot be reached, the State Department of Industrial Relations shall be requested by either or both parties to provide a list of 5 arbitrators. Both the District and the Association shall have the right to strike 2 names

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from the list. The party requesting the arbitration shall strike the first name; the other party shall then strike one name. The process will be repeated and the remaining person shall be the arbitrator.

- B. The arbitrator shall hear the case within 20 working days after the arbitrator has been selected. The arbitrator may make a written report of their findings to the Association and the District within 15 working days after the hearing is concluded. The arbitrator shall make rules of procedure. The decision of the arbitrator shall be advisory to the General Manager who shall render a final decision within 10 working days. The arbitrator shall have no authority to amend, alter, or modify this agreement or its terms and shall limit recommendations solely to the interpretation and application of this agreement.
- C. Each grievance or dispute will be submitted to a separately convened arbitration proceeding except when the District and the Association mutually agree to have more than one grievance or dispute submitted to the same arbitrator.
- D. The District and the Association shall share the expense of arbitrators and witnesses and shall share equally any other expenses, including those of a stenographer, if required by either party. If either party elects not to follow the advisory decision rendered by the arbitrator, that party shall pay the entire cost of the arbitration process, including the expense of the arbitrator, witnesses, and/or stenographer.

### **SECTION 4 – GRIEVANCE POLICY EXCLUSIONS**

This grievance procedure shall not apply to:

- 1. The content of employee evaluations;
- 2. Verbal warnings or counseling;
- 3. Employee recognition programs; or
- 4. Any other subject unless covered in the expressed terms of this MOU.

### **ARTICLE 15. ENTIRE AGREEMENT & SIGNATURES**

If any of this MOU is declared by legislative or judicial authority to be unlawful, unenforceable, or not in accordance with applicable provisions of Federal, State or Local laws or regulations, such part or provisions shall be suspended and superseded by such applicable law or regulations and the remainder of this MOU shall remain in full force and effect for the duration of this MOU.

It is acknowledged that during negotiations which resulted in this MOU, FMEA had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects within the scope of representation. Therefore, for the term of this agreement, FMEA agrees that FPUD shall not be obligated to meet and confer with respect to any subject or matter not specifically

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referred to or covered in this MOU. All terms and conditions of employment not covered in this MOU shall continue to be subject to FPUD’s direction and control.

Except as specifically restricted by an express provision of this MOU, FPUD retains and may exercise all management rights and prerogatives in its discretion.

The terms and conditions of this MOU shall remain in effect during negotiations if the negotiations extend beyond June 30, 2027 until a new MOU is agreed upon or impasse is reached, whichever occurs first.

It is agreed that the Personnel Regulations shall be changed to reflect the changes contained herein.

\_\_\_\_\_  
President, Board of Directors

\_\_\_\_\_  
FMEA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date