

## Memorandum of Understanding

# Stationary Engineers, Local 39

**Dublin San Ramon Services District  
and  
International Union of Operating Engineers  
Stationary Engineers, Local 39**



**Dublin San Ramon  
Services District**

*Water, wastewater, recycled water*



**December 22, 2025 – December 16, 2029**

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**MEMORANDUM OF UNDERSTANDING**  
**between**  
**DUBLIN SAN RAMON SERVICES DISTRICT**  
**and**  
**INTERNATIONAL UNION OF OPERATING ENGINEERS**  
**LOCAL UNION NO. 39, AFL-CIO**

This Memorandum of Understanding ("MOU") is entered into pursuant to the provisions of Section 3500 et seq of the Government Code of the State of California.

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees in said representation unit, and have freely exchanged information, opinions and proposals and have reached agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding has been presented to the Dublin San Ramon Services District Board of Directors as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing December 22, 2025 and ending December 16, 2029. This MOU will supersede in its entirety that MOU of December 13, 2021, and ending December 21, 2025. The effective date of this MOU is April 22, 2026.

**Section 1. Recognition**

**1.1     Union Recognition**

The International Union of Operating Engineers, Local Union No. 39, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the classifications listed in Exhibit A.

**1.2     District Recognition**

The General Manager, or any person or organization duly authorized by the General Manager, is the representative of Dublin San Ramon Services District, hereinafter referred to as the "District," in employer-employee relations, as provided in Resolution 39-23 adopted by the Board of Directors on September 19, 2023.

**1.3     General Manager**

Whenever the General Manager is mentioned in this MOU he/she may unilaterally delegate, in writing, the duty or power granted to him/her to another person.

**Section 2. Union Security**

**2.1     Dues Deduction**

Payroll deductions for membership dues shall be granted by the General Manager only to the Union, provided that the District is capable of making such deductions in its payroll system. The following procedures shall be observed in the withholding of employee earnings:

- (a) Payroll deductions shall be for the specific amount and uniform as between employee

members of the Union and shall not include fines and/or assessments. Dues deduction shall be made only upon the employee's written authorization on a payroll deduction form provided by the District.

- (b) Authorization, cancellation or modification of payroll deduction shall be made upon forms provided or approved by the General Manager. The voluntary payroll deduction authorization shall remain in effect until employment with the District is terminated or until canceled or modified by the employee by written notice to the General Manager. Employees may authorize dues deductions only for the Union certified as the recognized representative of the unit to which such employees are assigned.
- (c) Amounts deducted and withheld by the District shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds at the address specified.
- (d) The employee's earnings must be sufficient; after all other required deductions are made, to cover the amount of the deductions herein authorized. In this connection, all other required deductions have priority over the Union dues deduction. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the District which would have been withheld if the employee had been in pay status during that period. In the case of an employee who is in a non-pay status during a part of the pay period and the salary is not sufficient to cover the full withholding, no deduction shall be made.
- (e) The Union shall file with the General Manager an indemnity statement wherein the Union shall indemnify, defend and hold the District harmless against any claim made and against any suit initiated against the District on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the District any amounts paid to it in error upon presentation of supporting evidence.

### **Section 3. Union Representatives**

District employees who are official representatives of the Union shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at hearings where matters within the scope of representation or grievances are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of District services as determined by the District. Such employee representatives shall submit a written request for excused absence to their respective department heads, with an information copy to the General Manager, at least two (2) working days prior to the scheduled meeting whenever possible. Except by mutual agreement, the number of employees excused for such purposes shall not exceed four (4).

### **Section 4. Union Access**

#### **4.1. Access to Work Locations**

Reasonable access to employee work locations shall be granted to the business representative for the purpose of processing grievances or contacting members of the Union concerning business within the scope of representation. The business representative shall not enter any work location without the consent of the General Manager. Access shall be restricted so as not to interfere with the normal operations of the department or with established safety or security requirements.

Solicitation of membership and activities concerned with the internal management of the Union,

such as collecting dues, holding membership meetings, campaigning for office, conducting elections and distributing literature, shall not be conducted during working hours.

#### 4.2 New Employee Orientation

This shall apply to all new employees hired after the date of this Agreement who are appointed to a classification within the bargaining unit for which the Union is recognized as the exclusively recognized employee organization.

The parties acknowledge that the District provides a new employee orientation meeting ("orientation") to all new employees hired by the District but does not distinguish among bargaining units in conducting the orientation. The Union will be provided not less than 10 calendar days' advance notice of the time, date and location of the orientation, including the number of its respective bargaining unit employees in attendance. The notice requirement shall apply to the Human Resources new hire orientations. An exception to the 10 calendar days' advance notice requirement is if there is an urgent need for meeting in less than 10 calendar days' that is critical to the District's operations and is not reasonably foreseeable.

The Union will be given thirty (30) minutes at the end but also part of the new employee orientation meeting to present Union membership information to employees in the Union's bargaining unit. The meeting will be in a room designated by the District; and will take place during regular working hours and be on-site at the District. No more than two (2) representatives of the Union may present the information to the employees.

The purpose of the meeting will be to discuss the rights and obligations created by the governing MOU, the role of representation, and to answer any questions. Management representatives shall excuse themselves and not be present during the Union portion of the orientation. The Union agrees in its portion of the orientation not to engage in speech that could cause substantial disruption or material interference with District activities.

An employee's attendance at the new employee orientation including the portion of the orientation conducted by the Union is mandatory. An employee who is unable to attend the new employee orientation in person may request to attend and be approved to participate in another new employee orientation offered by the District that is close in time to the original orientation. Attendance includes the Union portion of the orientation.

Union representatives who are District employees and are conducting the orientation may attend and travel to and from the orientation on their own time, on unpaid leave, or through the use ELB leave or CTO or flex time, provided the Union provides Human Resources with the employee's name at least five (5) calendar days prior to the orientation. Union representatives who are District employees shall be released for this purpose unless unusual operational needs interfere with the release, in which case the employee and the Union will be provided with a written explanation of why the employee could not be released.

#### 4.3 Information Provided

The District will provide the Union with a digital file via email to the email address designated by the Union containing the following information to the extent the District has the information on file:

- Name

- Job title
- Department
- Work location
- Work, home, and personal cellular telephone numbers
- Personal email addresses on file with the District (new hires only)
- Home address

The Union acknowledges and understands that the District is working diligently and in good faith to update its contact information database functionality to incorporate all the fields of contact information listed above. As a result, the District may not initially be able to provide all of the information in the fields listed above in the initial digital files provided pursuant to this Agreement but intends to do so in subsequent digital files provided to the Union and will notify the Union on the status of this database update.

Such information will be provided as follows:

- For new hires, at the end of each month.
- Regularly, for all bargaining unit employees on or before the last day of the month of February and on or before the last day of the month of August of each calendar year.

Notwithstanding the foregoing, limited to the express purpose of the requirements of Government Code Section 3558 only, an employee may opt out via written request to the District (copy to the Union) and direct the District to withhold disclosure of the employee's:

- Home address
- Home telephone number
- Personal cellular telephone number
- Personal email address

## **Section 5. Use of District Facilities**

District employees or the Union or their representatives may, with the prior approval of the General Manager, be granted the use of District facilities during non-work hours for meetings of District employees provided space is available. All such requests shall be in writing and shall state the purpose or purposes of the meeting.

The use of District equipment other than items normally used in the conduct of business meetings, such as desks, chairs and whiteboards, is strictly prohibited, the presence of such equipment in approved District facilities notwithstanding.

The District e-mail system shall not be used for Union business or activities other than to distribute job descriptions or the time, location, agenda and minutes for planned meetings.

## **Section 6. Bulletin Boards**

The Union may use portions of District bulletin boards under the following conditions:

- (a) All materials must be dated and must identify the Union that published them.
- (b) Unless special arrangements are made, materials posted will be removed thirty-one (31) days after the publication date.

- (c) The District reserves the right to determine where bulletin boards shall be placed and what portion of them are to be allocated to Union's materials.
- (d) If the Union does not abide by these rules, it will forfeit its right to have materials posted on District bulletin boards.

### **Section 7. Advance Notice**

Except in cases of emergency, reasonable advance written notice shall be given the Union of any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation proposed to be adopted by the Board of Directors and the Union shall be given the opportunity to meet with the General Manager or representative prior to adoption. In cases of emergency when the Board of Directors determines that an ordinance, rule, resolution or regulation must be adopted immediately without prior notice or meeting with the Union, the District shall provide such notice and opportunity to meet at the earliest practical time following the adoption of such ordinance, rule, resolution or regulation.

### **Section 8. District Rights**

The rights of the District include, but are not limited to, the exclusive right to determine its mission and the mission of its constituent departments, commissions and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and to exercise complete control and discretion over its organization and the technology of performing its work.

### **Section 9. No Discrimination**

There shall be no discrimination based on race, creed, color, national origin, marital status, sex, religion, age, mental or physical disability, veteran status, medical condition, sexual orientation, pregnancy or legitimate Union activities against any employee or applicant for employment by the Union or by the District or by anyone employed by the District.

### **Section 10. Hours of Work**

#### Regular Workweek and Regular Workday

The regular workweek shall consist of forty (40) hours and the regular workday shall consist of eight (8) hours. The employees may request an alternate work schedule such as a 9/80 schedule, a 4/9 + 4 work schedule or a 4/10 work schedule and, at the sole discretion of the General Manager, such schedule may or may not be granted.

### **Section 11. Overtime, Call Back, Shift Differential, Standby Pay, Meal Allowance, Special License and Special Assignment Pay**

#### **11.1 Authorization**

All overtime worked must be approved in advance by the General Manager or his or her designated representative.

#### 11.2 Definition

Any authorized time worked in excess of the employee's regular workweek shall be compensated at the rate of one and one-half (1-1/2) times the employee's regular rate of pay. This Section 11.2 shall be subject to the District Personnel Rule for Overtime and applicable legal regulations. Holiday pay and Employee Leave Bank pay will count as time worked for purposes of computing overtime pay. Holiday pay is defined as scheduled District holidays including deferred holidays.

#### 11.3 Call Back

If an employee assigned to work in Field Operations, Mechanical Maintenance, Electrical Maintenance, Plant Operations, or in the classification of Construction Inspector I/II or IS Technician I/II is called back to work by responding to a work-related alarm or a phone call on his/her regular day off, or before or after his/her assigned work shift, and if the employee is able to properly resolve the alarm or provide useful information to the caller without actually driving to the work site, then he/she shall receive a minimum of two (2) hours of work or, if two (2) hours of work is not furnished, a minimum of two (2) hours of pay at time and one-half (1-1/2) for the first two call-backs in the workday; any additional callbacks after the first two will be paid at a minimum of one (1) hour of work, or, if one (1) hour of work is not furnished, a minimum of one (1) hour of pay at time and one-half (1-1/2). If the employee responds to one or more additional alarms or phone calls within two (2) hours of receiving the first or second alarm or phone call, then the employee shall not be due any additional compensation for properly resolving the subsequent alarms or phone calls. However, if the employee responds to an alarm or a phone call and it has been more than two (2) hours since they received a previous alarm or phone call for which they received pay, then he/she shall receive another two (2) hours of pay at time and one-half (1-1/2) (if after the first call) or another one (1) hour of pay at time and one-half (1-1/2) (if after the second call). This provision does not apply to instances in which the employee must report for his/her regular starting time less than two (2) hours after receiving the alarm or phone call, in which case the employee shall be paid time and one-half (1-1/2) only until the beginning of his/her regular starting time.

For all Local 39 employees, if an employee physically reports back to work, he/she shall, upon departure from his/her home, receive a minimum of two (2) hours of work or, if two (2) hours of work is not furnished, a minimum of two (2) hours' pay at time and one-half (1-1/2). This provision does not apply to instances in which the employee is called to report before his/her regular starting time and is worked from the time he/she reports to his/her regular starting time.

#### 11.4 Shift Differential

Employees who are regularly assigned and work a swing or grave shift shall be paid a fixed amount per shift in addition to their base pay. The fixed amount during the term of this MOU shall be sixty dollars (\$60).

#### 11.5 Standby Pay

Employees assigned by the District to standby duty will receive an additional 3.42 hours of the employee's base hourly rate of their assigned classification for each workday during which the employee is assigned to standby duty and an additional eight and one-quarter (8.25) hours of the employee's base hourly rate of their assigned classification for each holiday which occurs during an employee's standby duty.

Should an employee's standby assignment be extended due to a holiday or other reasons, the employee will receive an additional 3.42 hours of the employee's base hourly rate of their assigned classification for each additional day of coverage and an additional 8.25 hours of the employee's base hourly rate of their assigned classification for each holiday of coverage. Standby pay may not be booked as Compensatory Time.

The standby employee will respond to call outs for all District facilities other than the Treatment Plant. Employees on standby duty are to function as first responders to call outs to assess the reason for the call out and to correct the problem or summon additional resources as necessary. As examples: if a qualified sewer employee is required to correct the problem, additional staff is summoned; or if the problem is an intrusion alarm, the police are summoned to investigate. The District will conduct four (4) hours of training each year for all employees subject to standby duty to be trained to respond appropriately to the various types of call outs that may occur.

This provision shall only apply to the following Classified positions:

Water/Wastewater System Operator I-II  
Senior Water/Wastewater Systems Operator  
Maintenance Worker I-II  
Mechanic I-II  
Mechanic II (Crane Certified)  
Senior Mechanic  
Senior Mechanic (Crane Certified)  
Electrician I-II  
Instrumentation & Controls Technician I-II  
Senior Electrician  
Senior Instrumentation and Controls Technician

The District will follow all requirements, laws, and rules pertaining to "pensionable compensation" for the purposes of CalPERS Retirement benefits, as it applies to Standby Pay.

#### 11.6 Meal Allowance

Employees required to work four (4) or more hours of overtime when such overtime is worked will be provided with a meal allowance equal to the District's Employee Meal Reimbursement amount designated for lunch and updated annually by the District based on the IRS and General Services Administration (GSA) daily per diem rates for California. The payment of said meal allowance shall be via the District's payroll system and subject to all applicable Federal and State income reporting procedures.

#### 11.7 Compensatory Time

An employee shall be allowed to accrue up to a maximum of one-hundred (100) hours of compensatory time annually, with no more than 100 hours banked in total for the calendar year. Employees may request compensatory time off even though overtime is required to cover the employee's shift. The coverage employee may not accrue compensatory time for said time worked and will be paid at the overtime rate.

#### 11.8 Special License and Special Assignment Pay

- (a) The District will pay fifty dollars (\$50) per pay period to employees who obtain and maintain a certification in good standing for the certification levels shown below for Water Distribution Certification (SWRCB) and Wastewater Operator Treatment Plant Certification (SWRCB), and for only the following classifications:

| Classification                                                                     | Special License Pay Certification Level        | Special Pay     |
|------------------------------------------------------------------------------------|------------------------------------------------|-----------------|
| Water/Wastewater Systems Operator I-II<br>Senior Water/Wastewater Systems Operator | Water Distribution Certification (D5)          | \$50/pay period |
| WWTP Operator I-II<br>Senior WWTP Operator<br>Senior Process WWTP Operator         | WWTP Operator Certification with SWRCB Grade V |                 |

- (b) The District will pay forty dollars (\$40) per pay period to employees who obtain and maintain a California commercial drivers' license (Class A or B) in good standing, and must agree to enroll in the District's commercial driver program and the Federal Motor Carrier Safety Administration (FMCSA) clearinghouse, in the following classifications only:

Mechanic I/II  
Mechanic II-Crane Certified  
Maintenance Worker I/II

Employees receiving special license pay under Section 11.8 (a) and (b) are required to perform assigned duties related to their special license or certification as assigned by the District.

- (c) The District will pay five percent (5.0%) stipend pay to a qualified employee who is assigned a special assignment, in writing to a regulatory agency, as one of the following permit-required designations:

- Chief Water Operator, (CWO, State Water Resources Control Board)
- Chief Plant Operator (CPO), State Water Resources Control Board)
- Laboratory Director, (State Water Resources Control Board)

- (d) Special license and special assignment pay will be administered in accordance with CalPERS, state and federal regulations, which may impose limits on such benefits for New Members within the CalPERS Retirement System.

#### 11.9 Fatigue Time Pilot Program

Following ratification and Board approval of this MOU, the District will initiate a Fatigue Time Pay Pilot Program for a period of twelve (12) months. At the end of which, this program will terminate unless both parties agree to its continuation.

For the purposes of this pilot program, employees who are physically called out to report to work for an emergency or who are held over for mandatory overtime and whose regularly scheduled work shift begins less than eight (8) hours from when the call-out duty or mandatory overtime ends, shall be allowed a fatigue time rest period of up to a maximum of eight (8) hours, as calculated below. Fatigue time will normally be taken at the beginning of the employee's shift,

however upon approval of the employee's supervisor, the employee may request to take the fatigue time at the end of the employee's shift.

Fatigue time shall be calculated as follows:

1. Count the number of hours from the ending time of the overtime to the beginning time of the next regularly scheduled shift.
2. Subtract #1 from eight (8) hours.
3. The difference between #1 and #2 is the amount of fatigue time for which the employee is eligible.

EXAMPLES:

Employee A works four (4) consecutive hours of mandatory overtime from 9:00 p.m. to 1:00 a.m. and their regularly scheduled start time is at 6:00 a.m.

1. 1:00 a.m. to 6:00 a.m. = 5 hours from end of OT shift to start of Regular shift
2. Eight (8) hours – 5 hours = 3 hours
3. Employee A eligible for 3 hours of fatigue time

Employee B works eight (8) consecutive hours of mandatory overtime from 10:00 p.m. to 6:00 a.m. and their regularly scheduled start time is at 6:00 a.m.

1. 6:00 a.m. to 6:00 a.m. = 0 hours
2. Eight (8) hours – 0 hours = 8 hours
3. Employee B eligible for 8 hours of fatigue time

Fatigue time pay will be provided at the employee's hourly base rate of pay.

This provision will not apply if:

- (a) Mandatory overtime is completed more than eight (8) hours prior to the start of the employee's next regularly scheduled shift, or
- (b) An employee is called out within four (4) hours of the start of their next regularly scheduled shift.

In the case of a declared emergency, the eight (8) hour rest periods may be suspended for the duration of the emergency.

## **Section 12. Salaries**

### **12.1 Rates of Pay**

Effective on the first day of the pay period including July 1, 2026, the salary schedule for all classifications in Local 39 will be increased by 3%. Upon ratification and Board approval of this MOU, employees who are employed through the full pay period ending on April 12, 2026, will receive a one-time cash payment of \$2,500.

Effective on the first day of the first pay period of calendar year 2027, the salary schedule for all classifications in Local 39 will be increased by 3.0%.

Effective on the first day of the first pay period of calendar year 2028, the salary schedule for all classifications in Local 39 will be increased by 3.0%.

Effective on the first day of the first pay period of calendar year 2029, the salary schedule for all classifications in Local 39 will be increased by 3.5%.

Such increase constitutes a cost of living increase, and is separate and apart from a merit-based increase. Y-rated employees will receive the higher of either: zero percent (0%) cost of living salary adjustment of the employee's y-rated salary, or the new salary rate for the employee's classification with the applicable cost of living applied.

Rates of pay for each classification shall be in five (5) steps of A through E with Step E being the highest salary. Movement from one step to the next (and the amount of the increase) is based upon merit as explained in Section 12.6.

## 12.2 Deferred Compensation (IRS 457b) Plan

During the term of this MOU the District will maintain an IRS 457 Plan for interested employees. Employees may also elect to contribute to a Roth 457 option within the 457b Plan.

Beginning on the first pay date of the first full pay period of calendar years 2026, 2027, 2028 and 2029 the District will contribute on behalf of each employee an amount equal to 100% of the first \$2,500 the employee voluntarily contributes to the 457 plan.

This incentive shall be administered in accordance with state and federal regulations, which may impose limits on such benefits for New Members within the CalPERS Retirement System.

## 12.3 Compensation Surveys

All compensation surveys shall be conducted by District in accordance with Compensation Survey Procedures in Section 12.4.

During the term of this MOU, the District may have the need to conduct compensation surveys as a results of job description revisions, new positions, recruiting conditions, or as a result of mutual agreement between Union and District.

## 12.4 Compensation Survey Procedures

The basis of compensation for the purpose of a survey will be the sixtieth (60<sup>th</sup>) percentile of total compensation of the comparable positions at the survey agencies. Surveys will be done for benchmark positions in each classification and other levels in the classification will be indexed from the benchmark positions.

For the purposes of a survey:

Compensation at other agencies is defined as base salary plus employer-paid member contributions to retirement, employer contributions for employee defined contribution plans (such as 401k, 457, 401a), minus employee-paid contributions toward employer-share of defined benefit retirement plan (i.e. CalPERS retirement).

Compensation at the District is defined as base salary plus employer-paid member contributions to retirement, two thousand five hundred dollars (\$2,500) annual contribution to employee 457 plan.

EXAMPLE:

|                   | Base Salary<br>(Monthly) | ER Paid EE<br>PERS<br>(EPMC) | ER Paid<br>Deferred<br>Comp (457) | ER Paid<br>Other<br>Retirement | EE Paid ER<br>Contributions<br>to DB Plan | Total Comp<br>(Monthly) |
|-------------------|--------------------------|------------------------------|-----------------------------------|--------------------------------|-------------------------------------------|-------------------------|
| Comparator Agency | \$ 8,000.00              | \$ 192.50                    | \$ 83.33                          | \$ 100.00                      | \$ -                                      | \$ 8,375.83             |
| DSRSD             | \$ 8,100.00              | \$ -                         | \$ 208.33                         | \$ -                           | \$ -                                      | \$ 8,308.33             |

The following list of agencies will be used to establish the benchmark level salaries:

|       |                     |
|-------|---------------------|
| EBMUD | Livermore           |
| ACWD  | Pleasanton          |
| CCCSD | Delta Diablo        |
| CCWD  | Brentwood           |
| USD   | Zone 7 Water Agency |

#### 12.5 Starting Rate

Except as herein otherwise provided, the entrance salary for a new employee entering District service shall be the minimum salary for the class to which appointed. When circumstances warrant, the General Manager may recommend and the Board of Directors may approve an entrance salary which is more than the minimum salary. The Board of Director's decision shall be final.

#### 12.6 Step Increases

No increase in salary shall be automatic merely upon completion of a specified period of service. All increases shall be based on merit as established by record of the employee's performance and shall require recommendation of the department head and approval by the General Manager.

Subject to the provisions of this Section, an employee shall receive step increases in salary as follows:

- Step B upon completion of twelve (12) months' service in Step A;
- Step C upon completion of twelve (12) months' service in Step B;
- Step D upon completion of twelve (12) months' service in Step C;
- Step E upon completion of twelve (12) months' service in Step D.

Employees in a y-rated classification will be eligible to receive a merit increase in accordance with the requirements of this Section 12.6. For example, if an employee is y-rated at Step B of their classification's y-rated salary range, and the employee meets the performance requirements for a merit increase as described in Section 12.6, the employee will be moved to Step C of the y-rated salary range.

#### 12.7 Salary Increase Upon Promotion or Reclassification

When an employee in Local 39 is moved from one classification to another classification with a higher maximum salary, the salary in the higher classification shall be the minimum salary for that classification, unless that minimum is lower than, or the same as, the employee's salary at the time of promotion or reclassification. In that event, the employee shall receive the next higher step within the pay range of the higher classification, which is at least five percent (5%) greater than the employee's present rate. If the class having a higher salary range is not at least 5% more than the employee's present salary at Step E, the employee shall be paid at Step E of the classification having a higher salary range.

If an employee is promoted or reclassified from one class to a different classification within Local 39, and if the employee's current rate of pay before reclassification is more than the new position's Step E, then the employee shall be paid at Step E of the new position.

#### 12.8 Certification

Upon approval of the supervisor, the District shall allow an employee time off with pay if the certification exam falls between the hours of the employee's assigned shift, for the purpose of taking an exam for required certification. Upon successful passage of the exam, the District will pay for any certificates, including renewal, as set forth in the employee's classification series.

#### 12.9 Operator Certificates

A Wastewater Treatment Plant Operator I who is certified as a Wastewater Treatment Plant Operator II or higher shall be reclassified to a Wastewater Treatment Plant Operator II and receive the Wastewater Treatment Plant Operator II rate of pay upon successful completion of all State requirements. Effective date of reclassification is the date printed on the certificate. If the Operator has not yet completed their initial 12-month probationary period at the time of reclassification, the employee will still be required to successfully complete the 12-months initial probation in accordance with Section 20 of this MOU concurrently with the 6-month probationary period for the Wastewater Treatment Plant Operator II position.

#### 12.10 Out-of-Class Pay

An employee who is assigned in writing by the General Manager or designated representative and who is required to perform all of the duties of a position having a higher salary range, will be paid the first step of the higher range which is at least five percent (5%) higher than the employee's present salary during the period of the out-of-class assignment. If the position having a higher salary range is not at least 5% more than the employee's present salary at Step E, the employee shall be paid at Step E of the higher salary range.

Acting assignments will be made after one (1) working day of uninterrupted absence, such as vacation or long-term illness or injury. When an employee is expected to perform the full range of duties of a higher classification for more than one (1) consecutive working day, said employee shall be temporarily promoted to the higher position with retroactive pay to the first day of said assignment.

Out-of-Class pay will be administered in accordance with state and federal regulations, which may impose limits on such benefits for New Members within the CalPERS Retirement System.

### **Section 13. Health and Welfare**

#### 13.1 Medical

##### (a) Health Care Insurance

The District is committed to provide health care (medical) insurance to each employee. The District shall provide a health care insurance program that has at least two choices for coverage for Health Maintenance Organizations and two choices for Preferred Provider Organizations. In the event that this level of coverage does not remain reasonably available during the term of this MOU, the parties shall meet and confer in good faith to amend this

Section 13.1(a) of the MOU.

(b) Medical Insurance Premiums

District shall pay employee medical insurance premiums up to a maximum amount not to exceed the District "Maximum Contribution" for each level (employee only, employee plus one dependent, and employee plus two or more dependents). The District's maximum contribution below includes the minimum employer contribution, as established annually by CalPERS.

Payment by District shall be for employee or employee plus eligible dependents, whichever represents the employee's situation. The employee shall pay the balance of the cost incurred in excess of the medical insurance premium maximum contribution. If the medical insurance premium of the plan an employee selects is less than the District maximum contribution, the District shall only pay the amount of the premium cost of the selected plan.

Effective on the later of either: (1) the first day of the first pay period of the calendar year 2026; or (2) the first day of the second month following Board approval of the health contribution, the District maximum contribution for health insurance premiums will be as follows:

|                                            | Employee Only | Employee + 1 Dependent | Employee + 2 or more Dependents |
|--------------------------------------------|---------------|------------------------|---------------------------------|
| 2026 District Maximum Monthly Contribution | \$1,141       | \$2,282                | \$2,966                         |
| 2027 District Maximum Monthly Contribution | \$1,209       | \$2,419                | \$3,144                         |
| 2028 District Maximum Monthly Contribution | \$1,282       | \$2,564                | \$3,333                         |
| 2029 District Maximum Monthly Contribution | \$1,359       | \$2,718                | \$3,533                         |

Local 39 employees will pay those amounts in excess of the District medical insurance premium Maximum Contribution and the premium of the plan they select.

(c) Retiree Medical

(1) Employees Hired on or After June 1, 2006 and Before January 1, 2026

The District shall provide health care (medical) insurance to each Local 39 employee that retires from the District and meets all eligibility requirements, in accordance with the Vesting Program as described below. All Local 39 employees hired after June 1, 2006 (or before June 1, 2006 and who elected to be subject to the Vesting Program) shall be enrolled in the Vesting Program. Any employee appointed into Local 39 who has previously elected to vest under their prior MEBU or Local 21 MOU, or the Unrepresented Resolution, shall vest under the Vesting Program as described below.

The District shall provide an eligible annuitant with a contribution to post-retirement health benefits in an amount that is consistent with Government Code Section 22893 ("Vesting Program"), which is summarized below.

a. The percentage of employer contribution payable for postretirement health benefits

for an employee of a contracting agency shall, except as provided in subdivision “b”, be based on the member’s completed years of credited CalPERS service at retirement as shown in the following table:

| Credited Years | Percentage of Employer Contribution |
|----------------|-------------------------------------|
| 10             | 50%                                 |
| 11             | 55%                                 |
| 12             | 60%                                 |
| 13             | 65%                                 |
| 14             | 70%                                 |
| 15             | 75%                                 |
| 16             | 80%                                 |
| 17             | 85%                                 |
| 18             | 90%                                 |
| 19             | 95%                                 |
| 20 or more     | 100%                                |

This subdivision shall apply only to employees who retire from District service. The application of this subdivision to those employees shall be subject to the following provisions:

1. The employer’s contribution with respect to each annuitant shall be adjusted by the employer each year. Those adjustments shall be based upon the principle that the employer’s contribution for each annuitant, including enrollment of eligible dependents, shall not be more than one hundred percent (100%) of the premium applicable to the annuitant, nor less than an amount equal to the 100/90 formula contribution as established by CalPERS.
  2. The credited service of any employee for the purposes of determining the percentage of employer contributions applicable under this section shall mean state service as defined in Section 20069, except that not less than five (5) years of that service shall be performed entirely with the District.
- b. Notwithstanding subdivision “a”, the contribution payable by an employer subject to this section shall be equal to one hundred percent (100%) of the amount established pursuant to paragraph “1” of subdivision “a” on behalf of any annuitant who either:
1. Retired for disability.
  2. Retired for service with 20 or more years of service credit entirely with that employer, regardless of the number of days after separation from employment. The contribution payable by an employer under this paragraph shall be paid only if it is greater than, and made in lieu of, any contribution payable to an annuitant by any other employer under this part.

(2) Employees Hired on or After January 1, 2026

The District shall provide a contribution towards health care (medical) insurance to each Local 39 employee who retires from District service and who meets all eligibility requirements as a District “annuitant” as determined by CalPERS for purposes of participating in District sponsored health insurance programs. The District’s monthly

contribution towards an annuitant's benefit shall be in an amount equal to the minimum employer contribution, as established annually by CalPERS.

If an employee retires from District service with at least 15 years of total District service, the District will provide the annuitant with a supplemental contribution (reimbursement) for the cost of the premiums for CalPERS health plan in which the employee is enrolled. The amount of any supplemental contribution will be equal to the difference between 90% of the premium for the plan in which the annuitant is enrolled at annuitant-only coverage and the minimum employer contribution. However, in no circumstance will the maximum supplemental contribution provided be greater than 90% of the premium for the least expensive Region 1 Kaiser plan at annuitant only coverage, less the minimum employer contribution established by CalPERS. If the annuitant is Medicare eligible, the amount of any supplemental contribution will be no greater than 90% of the premium for annuitant only coverage for the least expensive Region 1 Kaiser Medicare Advantage plan, less the minimum employer contribution established by CalPERS. Upon death of the employee, the District's obligation to provide a supplemental contribution will cease.

**EXAMPLES:**

Non-Medicare eligible annuitant

| <b>2026 CalPERS Plan</b>         | <b>Plan Premium</b> | <b>90% of Plan Premium</b> | <b>2026 Minimum Employer Contribution</b> | <b>Supplemental Contribution</b> |
|----------------------------------|---------------------|----------------------------|-------------------------------------------|----------------------------------|
| Kaiser Basic<br>(Annuitant Only) | \$1,168.86          | \$1,051.97                 | \$162                                     | \$889.97                         |

| <b>2026 CalPERS Plan</b>            | <b>Plan Premium</b> | <b>90% of Plan Premium</b> | <b>2026 Minimum Employer Contribution</b> | <b>Supplemental Contribution</b> |
|-------------------------------------|---------------------|----------------------------|-------------------------------------------|----------------------------------|
| PERS Gold Basic<br>(Annuitant Only) | \$1,120.58          | \$1,008.52                 | \$162                                     | \$846.52                         |

Medicare eligible annuitant

| <b>2026 CalPERS Plan</b>                       | <b>Plan Premium</b> | <b>90% of Plan Premium</b> | <b>2026 Minimum Employer Contribution</b> | <b>Supplemental Contribution</b> |
|------------------------------------------------|---------------------|----------------------------|-------------------------------------------|----------------------------------|
| Kaiser Senior<br>Advantage<br>(Annuitant Only) | \$356.83            | \$321.15                   | \$162                                     | \$159.15                         |

If an employee retires from District service with at least 20 years of total District service, the District will provide the annuitant with a supplemental contribution towards the CalPERS plan in which the employee is enrolled. The maximum supplemental contribution provided will be no greater than 90% of the premium for the least expensive Region 1 Kaiser plan at either annuitant only or annuitant + 1 eligible dependent coverage

(depending on the annuitant’s level of coverage), less the minimum employer contribution established by CalPERS. If the annuitant is Medicare eligible, the amount of any supplemental contribution will be no greater than 90% of the premium for annuitant +1 eligible dependent coverage (depending on the annuitant’s level of coverage) for the least expensive Region 1 Kaiser Medicare Advantage plan, less the minimum employer contribution established by CalPERS. Upon death of the employee or if the employee is not eligible to participate in a plan at annuitant + 1 eligible dependent coverage, any supplemental benefit will be reduced to the one-party rate.

EXAMPLES:

Non-Medicare eligible annuitant + 1 eligible dependent

| 2026 CalPERS Plan                   | Plan Premium | 90% of Plan Premium | 2026 Minimum Employer Contribution | Supplemental Contribution |
|-------------------------------------|--------------|---------------------|------------------------------------|---------------------------|
| Kaiser Basic<br>(Annuitant +1 Only) | \$2,337.72   | \$2,103.95          | \$162                              | \$1941.95                 |

Medicare eligible annuitant + 1 eligible dependent

| 2026 CalPERS Plan                                 | Plan Premium | 90% of Plan Premium | 2026 Minimum Employer Contribution | Supplemental Contribution |
|---------------------------------------------------|--------------|---------------------|------------------------------------|---------------------------|
| Kaiser Senior<br>Advantage<br>(Annuitant +1 Only) | \$713.66     | \$642.29            | \$162                              | \$480.29                  |

(d) Changes to the Law

In the event Federal or State legislation, which provides health care coverage for employees covered by this agreement, is enacted into law and such legislation has an adverse impact on either party, the parties shall meet and confer regarding the impact of such legislation on the MOU.

(e) Waiver of Coverage

An employee who chooses to do so may elect Affordable Care Act (ACA) compliant group health insurance coverage elsewhere and elect in writing to forgo medical insurance coverage through the District and receive a cash payment in the amount of four-hundred dollars (\$400) per month (payable bi-monthly via payroll), and made on a ‘per pay period’ basis. Said election must be made for the employee as well as his/her spouse and eligible dependents..

13.2 Dental

The District shall provide each employee with dental care benefits covering the employee, spouse and eligible dependents.

### 13.3 Retiree Dental

The District shall provide retiree dental care benefits for employees (and eligible dependents) who retire from the District and whose first date of employment was before July 1, 2014.

### 13.4 Life Insurance, Short-Term and Long-Term Disability

The District shall provide each employee with Life Insurance, Short-Term and Long-Term Disability Insurance. Life Insurance is equal to two times (2X) employee's annual base salary, rounded up to the nearest \$1,000, to a maximum of \$400,000, with benefits beginning on January 1, 2022. Employees are responsible to pay applicable taxes on the value of this benefit over \$50,000 in accordance with IRS regulations. Short-Term Disability Insurance provides for sixty percent (60%) of regular weekly salary, to a maximum of \$1,667 weekly benefit, after a twenty nine (29) day waiting period. Benefits continue for a maximum of one (1) year if totally disabled. Long Term Disability Insurance shall provide 66 2/3% of regular monthly salary, to a maximum of \$6,000 monthly benefit, after 365 days wait period.

Integration of short-term and long-term disability insurance benefits and sick leave is to be automatic; the District may not waive integration. In addition to the life insurance provided at District expense, the employer will make arrangements for employees to purchase additional life insurance at employee cost.

### 13.5 Vision Care

The District shall provide each employee with vision care benefits covering the employee, spouse and eligible dependents.

### 13.6 Retiree Vision Care

Vision care will not be provided to employees who retire from the District other than as specified under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

### 13.7 IRS 125 Plan

The District agrees to continue an IRS plan for employee funded expense reimbursement.

### 13.8 Change in Employee Benefit Plans

The District intends to evaluate the Health and Welfare plans currently available to employees to determine if similar or better coverage may be available at lower cost to the District. The District may substitute new insurance carriers or arrange for self-insurance provided that the overall coverage is acceptable to the Union.

## **Section 14. Retirement Plan**

The Retirement Plan between the District and Public Employees Retirement System ("PERS") is documented in a separate MOU between Union and District entitled "Regarding PERS Retirement Formula Enhancement" dated November 17, 2004, and includes single highest year option and "Local Miscellaneous 2.7% at 55."

The pension formula for "classic" employees is the local Miscellaneous 2.7% at age 55 Retirement Plan.

Classic employees will contribute eight percent (8%) of the employee CalPERS contribution.

The pension formula for “new” employees is the local Miscellaneous 2.0% at age 62 Retirement Plan. New employees pay one-half of the normal cost of their pension plan to pay the employee CalPERS contribution.

**Section 15. Safety Shoes, Equipment, and Clothing (*formerly Section 15.0 Personal Safety Reimbursement Program and Sections 25.2 (Safety) and 25.4 (Safety Vests)*)**

Employees that are required to wear safety shoes, personal protective equipment (PPE), or uniform clothing will be provided with these items purchased by the District as deemed necessary by the employee’s supervisor for the performance of their job duties. Safety shoes, when required, will be replaced by the District no less than once every 12-month period.

**Section 16. Holidays**

**16.1 Holiday Right**

Classified employees shall be entitled to take all authorized holidays at full pay, not to exceed eight (8) hours for any one (1) day, provided they are in a pay status on both their regularly scheduled workdays immediately preceding and following the holiday.

**16.2 Monday-Friday Employees**

The following holidays are allowed for all employees working a Monday-Friday schedule, with pay:

| <b>Holiday</b>             | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| New Year’s Day             |             | Jan-1       | Jan-1       | Dec-31      | Jan-1       |
| Martin Luther King Jr. Day |             | Jan-19      | Jan-18      | Jan-17      | Jan-15      |
| Presidents’ Day            |             | Feb-16      | Feb-15      | Feb-21      | Feb-19      |
| Memorial Day               |             | May-25      | May-31      | May-29      | May-28      |
| Independence Day           |             | July-3      | July-5      | July-4      | July-4      |
| Labor Day                  |             | Sept-7      | Sept-6      | Sept-4      | Sept-3      |
| Thanksgiving Day           |             | Nov-26      | Nov-25      | Nov-23      | Nov-22      |
| Day after Thanksgiving     |             | Nov-27      | Nov-26      | Nov-24      | Nov-23      |
| Christmas                  | Dec-25      | Dec-25      | Dec-24      | Dec-25      | Dec-25      |

**16.3 Shift Employees**

Shift employees are defined as employees assigned to working a swing shift or graveyard shift at the Wastewater Treatment Plant. The following holidays are recognized for all employees working a seven-day, rotating day off schedule:

| <b>Holiday</b>             | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029</b> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| New Year’s Day             |             | Jan-1       | Jan-1       | Jan-1       | Jan-1       |
| Martin Luther King Jr. Day |             | Jan-19      | Jan-18      | Jan-17      | Jan-15      |
| Presidents’ Day            |             | Feb-16      | Feb-15      | Feb-21      | Feb-19      |

|                        |        |        |        |        |        |
|------------------------|--------|--------|--------|--------|--------|
| Memorial Day           |        | May-25 | May-31 | May-29 | May-28 |
| Independence Day       |        | July-4 | July-4 | July-4 | July-4 |
| Labor Day              |        | Sept-7 | Sept-6 | Sept-4 | Sept-3 |
| Thanksgiving Day       |        | Nov-26 | Nov-25 | Nov-23 | Nov-22 |
| Day after Thanksgiving |        | Nov-27 | Nov-26 | Nov-24 | Nov-23 |
| Christmas              | Dec-25 | Dec-25 | Dec-25 | Dec-25 | Dec-25 |

If one of the holidays listed above falls during the employee's vacation or on the employee's normal day off or if an employee is scheduled to work on a holiday, the employee will be allowed a regular workday off at a time determined by agreement between the employee and the department manager. If the department manager determines that it is not feasible to grant such other workday off, the employee shall be paid for any work performed on the holiday at the rate of time and one-half (1-1/2); provided that an employee who is entitled to pay for any such holiday if not worked shall receive such holiday pay in addition to the time and one-half (1-1/2) they are paid for working.

#### 16.4 Floating Holidays

Beginning with the pay period commencing on December 26, 2011, five (5) Floating Holidays (40 hours) shall be incorporated into the Employee Leave Bank and thereafter be part of the Employee Leave Bank as described in Section 17 of this MOU.

#### 16.5 Deferred Holidays

A Deferred holiday may be earned by Local 39 shift employees who are required to work on a holiday as defined in Section 16.3 as a part of their regularly-scheduled work week, or if the holiday falls on the shift employee's regularly scheduled day off. A Deferred holiday may be requested at the option of the employee, to be banked in eight (8) hour increments, in accordance with Section 16.1. Employee requests for taking a Deferred holiday shall be approved in accordance with Section 17.2. All Deferred holidays earned by employees prior to December 31, 2011 will remain in effect with no expiration date or until used or paid out upon separation from employment. Deferred holidays earned on or after January 1, 2012 must be used within the calendar year earned, and if not used, a lump sum cash payout will be made to the employee on the last pay date of the calendar year. Employees may not defer holidays that occur in the last pay period of the calendar year.

### **Section 17. Employee Leave Bank**

#### 17.1 Eligibility

All Local 39 employees begin accruing Employee Leave (Leave) as defined in Section 17.4 from their hire date.

#### 17.2 Scheduling

The times during the calendar year at which an employee shall take Leave shall be determined by the employee's supervisor with due regard to the wishes of the employee and in particular regard to the need of the District.

### 17.3 Use

Employees may use Leave on an hour-for-hour (or fraction thereof) basis in any pay period that they have not worked their scheduled hours in accordance with Section 10 of this MOU.

### 17.4 Employee Leave Accrual Rate

Employee vacation and floating holidays are combined and posted into one leave bank called the "Employee Leave Bank", in accordance with the table below.

Employee leave bank accruals will be posted bi-weekly. Leave accrues on a pay period basis and the accrual rate is determined by the employee's hire date. Example: For a full-time employee, the accrual rate during their first year of employment is 4.62 hours per pay period.

The following table shows the conversion of the leave into the new system and is based on full-time employment. Leave for part-time employees will be prorated according to number of hours scheduled.

| All Employees |     |       | Annual | Annual | Hours |
|---------------|-----|-------|--------|--------|-------|
| Year          | Vac | Float | Days   | Hours  | PP    |
| 1             | 10  | 5     | 15     | 120    | 4.62  |
| 2             | 11  | 5     | 16     | 128    | 4.92  |
| 3             | 12  | 5     | 17     | 136    | 5.23  |
| 4             | 13  | 5     | 18     | 144    | 5.54  |
| 5             | 14  | 5     | 19     | 152    | 5.85  |
| 6             | 15  | 5     | 20     | 160    | 6.15  |
| 7             | 16  | 5     | 21     | 168    | 6.46  |
| 8             | 17  | 5     | 22     | 176    | 6.77  |
| 9             | 18  | 5     | 23     | 184    | 7.08  |
| 10            | 19  | 5     | 24     | 192    | 7.38  |
| 11            | 20  | 5     | 25     | 200    | 7.69  |
| 12            | 21  | 5     | 26     | 208    | 8.00  |
| 13            | 22  | 5     | 27     | 216    | 8.31  |
| 14            | 23  | 5     | 28     | 224    | 8.62  |
| 15            | 24  | 5     | 29     | 232    | 8.92  |
| 16            | 25  | 5     | 30     | 240    | 9.23  |

### 17.5 Employee Leave Pay at Termination

Upon termination of employment, an employee shall be paid the cash value of his/her accrued Leave at the time of termination in accordance with the above schedule on a prorated basis. If the employee owes the District for unearned Employee Leave bank, the actual time owed shall be invoiced to the employee.

## 17.6 Leave Sell Back

Each full-time employee covered by this MOU may sell back leave from the Employee Leave Bank at his or her current rate of pay up to two (2) times per calendar year, up to one-hundred (100) hours total in that calendar year, provided that there is at least one-hundred (100) hours remaining after each such sell back. Requests to sell back leave hours will be processed in accordance with IRS requirements and pursuant to procedures established by the District.

## **Section 18. Sick Leave**

### 18.1 Benefits

Full-time Local 39 employees shall accrue sick leave at the rate of eight (8) hours per month credited in hours per pay period. Sick leave shall be posted bi-weekly.

Sick leave usage shall not be considered as a privilege, which an employee may use at his/her discretion, but shall be allowed only in case of necessity of actual sickness or disability. Charge for sick leave used shall be on the basis of one-quarter (0.25) hour for each one-quarter hour used; provided, however, that sick leave shall be charged for only those hours when the employee was absent from work. In no event shall sick leave be converted into a cash bonus and is not payable upon separation from employment with the District. Sick leave may not be used before it is credited. Sick leave benefits shall be administered in accordance with applicable state and federal laws.

If an employee leaves the employ of the District prior to the end of the calendar year, reconciliation of sick leave earned and taken to date of termination of employment shall be made. If the employee owes the District for unearned sick leave, the actual time owed shall be invoiced to the employee.

### 18.2 Notification Requirement

In order to receive compensation when absent on sick leave, if the need for sick leave is foreseeable, the employee shall notify his/her immediate supervisor one (1) hour prior to the time set for beginning his/her duties, unless the employee is prevented from doing so by an emergency.

### 18.3 Physician's Certificate or Other Proof

At the discretion of the employee's supervisor, a physician's certificate or personal affidavit may be required for any period of absence for which sick leave is claimed after the first forty-eight (48) hours of sick leave used in a calendar year.

### 18.4 Illness in the Immediate Family

Leaves for illness in the immediate family are administered in accordance with federal and state law. For the purpose of this Section 18.4, immediate family shall be defined in accordance with federal and state law.

### 18.5 Use of Sick Leave

Sick Leave may be used for purposes defined in the District's personnel rule for Sick Leave, and in accordance with federal and state law.

## **Section 19. Leaves of Absence**

### **19.1 Leave without Pay**

The General Manager may grant employees leave of absence without pay for a period not to exceed one (1) year. No leave shall be granted except upon written request of the employee. Such requests shall be submitted to the General Manager. Such leaves shall normally be granted to permit the employee to engage in activities that will increase his/her value to the District upon return, or because of sickness, injury or personal hardship. Employees may not be granted a leave of absence until all accrued Employee Leave bank is taken. Failure on the part of an employee on leave to report promptly at its expiration shall result in dismissal of the employee. Employee Leave bank and sick leave credits shall not accrue to an employee on leave of absence. The decision of the General Manager on granting or refusing to grant a leave of absence or extension thereof shall be final and conclusive and shall not be subject to the grievance procedure of this Memorandum of Understanding.

### **19.2 Jury Duty**

An employee summoned to jury duty shall inform his/her supervisor and, if required to serve, may be absent from duty with full pay only for those hours required to serve. An employee, who serves on jury duty and receives payment for services, not including reimbursements for mileage or transportation expenses, shall submit said payment to District in accordance with Internal Revenue Service regulations.

### **19.3 Military Leaves of Absence**

The provisions of the Military and Veterans Code of the State of California shall govern military leave of District employees.

### **19.4 Pregnancy Disability and Bonding Leave**

Employees disabled due to pregnancy, childbirth or related medical condition shall be eligible for leave in accordance with California Pregnancy Disability Leave law.

Employees requested time off to bond with a new child will be eligible for leave under the Family Medical Leave Act and/or the California Family Rights Act.

Employees seeking leave for these reasons should contract Human Resources for more information.

### **19.5 Industrial Disability Leave**

Employees who suffer any disability arising out of and in the course of their employment, as defined by the Workers' Compensation Laws of the State of California, shall be entitled to industrial disability leave while so disabled for the period of such disability until such time as **a)** the District determines that the interactive process has been exhausted or completed, or that there is an inability to accommodate under the law, or **b)** based upon a permanent and stationary finding in the worker's compensation matter; or **c)** retirement, whichever occurs first.

Integration of sick leave and employee leave bank (ELB) with Workers' Compensation temporary disability benefits is to be automatic after exhausting regulatory protected leave provisions (such as

FMLA/CFRA); the District may not waive integration.

The District reserves the right to withhold payment of any disability benefits until such time it is determined whether or not the illness or injury is covered by Workers' Compensation.

An employee who is authorized by his/her supervisor to transport an injured employee to a medical facility shall suffer no loss of compensation for the time spent. Authorization shall not be unreasonably denied to an employee who transports an injured employee requiring immediate emergency care when supervision is not present at the site of injury or is unreachable by telephone or radio, provided the transporting employee calls his/her supervisor immediately upon arrival at the emergency medical facility.

#### 19.6 Bereavement Leave

In the event of a death in the immediate family of an employee, he/she shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed twenty-four (24) hours. Leave for this purpose must be requested and used within three (3) months of the event of a death in the immediate family. For the purpose of this Section 19.6, the immediate family shall be restricted to father, mother, step-parent, brother, sister, spouse or legally-recognized domestic partnership, child, mother-in-law, father-in-law, grandparents, grandchildren and stepchild in those cases where a direct child-rearing-parental relationship may be demonstrated. At the request of the District, the employee shall furnish proof of relationship. Sick leave may be used for the purpose of extending bereavement leave.

#### 19.7 Catastrophic Leave Donation Bank

The District agrees to establish a Catastrophic Leave Donation Bank (CLDB) to assist employees who have exhausted accrued leave time due to a serious or catastrophic illness or injury, or to care for a member of the employee's immediate family (defined as the employee's legal spouse, domestic partner, child/step-child) who has had a catastrophic illness or injury. The Catastrophic Leave Donation Bank will allow other employees to donate time to a Catastrophic Leave Donation Bank administered by the District so that a qualifying active District employee can remain in a paid status for a longer period of time, thus partially offsetting the financial impact of the illness, injury or condition.

Eligibility: To be eligible for this benefit, the receiving employee must: 1) be a regular or limited-term full-time employee; 2) have sustained a life threatening or debilitating illness, injury or condition (physician confirmation will be required by the District), or a member of the employee's immediate family as defined in this Section 19.7 has sustained a life threatening or debilitating illness or injury (physician confirmation will be required by the District) which requires the employee's care and assistance; 3) have exhausted all accumulated paid leave including Employee Leave Bank, sick leave, compensatory time off, deferred holiday, and/or other such leaves; 4) be unable to return to work for at least thirty (30) days; and 5) have applied, and received approval, for a leave of absence without pay for medical reasons.

Benefits: Accrued Employee Leave Bank and compensatory time off hours donated by other employees to the Catastrophic Leave Donation Bank will be converted to sick leave then credited to a receiving employee's sick leave balance from the Catastrophic Leave Donation Bank in increments of one (1) hour and shall be paid at the base rate of pay of the receiving employee in effect at the time of need for leave. For as long as the receiving employee remains in a paid status, seniority and all other benefits will continue, with the exception of leave accruals. The total leave credits received

by an employee should not exceed three (3) months.

Guidelines for donating leave to the Catastrophic Leave Donation Bank (CLDB):

- (a) Accrued Employee Leave Bank and compensatory time off may be donated by any employee who has completed his/her initial District probationary period.
- (b) Time donated to the Catastrophic Leave Donation Bank will be converted (at the current pay rate of the donating employee) from Employee Leave Bank or compensatory time off to sick leave and credited from the CLDB to the receiving employee's sick leave balance in eight (8) hour increments (equivalent to the receiving employee's current base rate of pay), and shall be paid at the base rate of pay of the receiving employee in effect at the time of need for leave.
- (c) The total amount of time donated to the Catastrophic Leave Donation Bank by an employee shall not exceed eighty (80) hours in a calendar year. The total leave credits received by a receiving employee shall not exceed three (3) months.
- (d) Leave time donations must be a minimum of one (1) hour increments. An employee cannot donate leave hours, which would reduce the employee's own Employee Leave Bank balance to less than forty (40) hours.
- (e) The use of donated leave hours by a receiving employee will be in consecutive, one workday increments (i.e., eight (8) hours for a full-time employee working five eight (8) hour days/week). Employees using the CLDB program will be converted to a regular 8 hours per day/5 days per week work schedule for the duration of their leave.
- (f) While an employee is on leave using donated leave hours, Employee Leave Bank or sick leave hours will not accrue.
- (g) Under all circumstances, leave donations made by the donating employee are forfeited once made (i.e. all completed donations are final and cannot be reversed once the District has acknowledged receipt). In the event that the receiving employee does not use all transferred/credited leave for the catastrophic illness/injury, any balance will remain with the receiving employee.
- (h) Employees may donate leave to the CLDB at any time during their employment with the District, so long as their donation complies with all requirements of this Section 19.7.

## **Section 20. Probationary Period**

All original and promotional appointments shall be subject to a probationary period. The probationary period shall be regarded as a part of the testing process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to his/her position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

The probationary period for employees is twelve (12) months. During the probationary period, an employee may be rejected at any time by the General Manager without cause and without the right of appeal. Employees who have already served a District probationary period and have accepted a different position within Local 39 shall serve a probationary period in that new job for six (6) months.

Any employee rejected during the probationary period following a promotional appointment shall be reinstated to the former position from which he/she was promoted, provided the employee has not been discharged or disciplined pursuant to Section 22 of this Memorandum of Understanding.

## **Section 21. Layoff and Re-employment**

The General Manager may lay off an employee in the classified service. The departments and classifications subject to layoff shall be determined by the General Manager on the basis of the administrative needs of the District. Within the classifications subject to layoff, the order of layoff shall be determined on the basis of seniority and work performance. Emergency and provisional employees in a class of positions shall be laid off before other persons in the class are laid off.

Fifteen (15) calendar days prior to the effective date of the layoff of an employee in the classified service, the General Manager shall notify the employee of the layoff and a copy of the notice shall be placed in the employee's personnel file and a copy will be sent to the Union.

An employee who has performed satisfactorily and who is laid off shall be eligible for re-employment in other positions which require basically the same qualifications and involve basically the same duties and responsibilities as the position from which the employee is laid off.

Service with the District shall be terminated by discharge, resignation or six (6) consecutive months of unemployment with the District.

An employee who is laid off shall not accrue or be eligible for any benefits including, but not limited to, Employee Leave Bank, sick leave, holidays, medical, dental, life insurance, vision care and safety shoes, except as subject to COBRA requirements. Any employee re-employed after a layoff shall retain sick leave accruals that the employee did not receive compensation for at the time of layoff.

## **Section 22. Discharge and Discipline**

### **22.1 Right of Discharge and Discipline**

The District shall have the right to discharge and discipline any employee for dishonesty, insubordination, drunkenness, incompetence, willful negligence, failure to perform work as required or to observe the District's safety and house rules and regulations, which must be conspicuously posted and not in derogation of the Memorandum of Understanding, or for engaging in strikes, individual or group slowdowns or work stoppages during the term of this Memorandum of Understanding, or refusal to accept overtime, or for violating or ordering the violation of the Memorandum of Understanding. Discipline shall be implemented within sixty (60) days of the District becoming aware of the situation causing the problem.

### **22.2 Appeals**

If an employee feels he/she has been unjustly disciplined or discharged, he/she shall have the right to appeal his/her case through the Appeals Process. Such appeal must be filed with the General Manager in writing, within ten (10) calendar days from the date of discipline or discharge and unless so filed the right of appeal is lost.

Any disciplined employee and the Union shall be furnished the reason for the disciplinary action in writing.

### 22.3 Adjustment Board

In the event of an employee appeal on a matter involving discipline, including matters of suspension, demotion, and discharge, such appeal shall be submitted to an Adjustment Board comprised of two (2) Union representatives and two (2) representatives of the District.

If an Adjustment Board is unable to arrive at a majority decision, the employee may require that the appeal be referred to non-binding arbitration for advisory opinion.

### 22.4 Arbitration

An employee may refer any appeal that remains unresolved after the Adjustment Board to non-binding arbitration. A notice to invoke arbitration shall be in writing to the General Manager within thirty (30) calendar days after receipt of the decision of the Adjustment Board.

On or after the date of the notice to invoke non-binding arbitration, the District will request the State Mediation and Conciliation Service or the American Arbitration Association to provide a list of seven (7) impartial persons to act as an arbitrator. Representatives of the two parties shall meet within ten (10) calendar days after receipt of such list to select an arbitrator (this may be done by telephone). If there is no mutual agreement on one of the listed arbitrators, then the two parties will alternately strike an arbitrator's name from the list of seven (7) and will then repeat this procedure. The remaining person shall be the duly selected arbitrator. The procedure to determine who strikes the first name will be determined by lot. If either party refuses to participate in the selection process, the other party will make a selection of an arbitrator from the list.

Upon conclusion of the arbitration hearing, the arbitrator will provide both the General Manager and the employee or Union with copies of his/her opinion on the merits of the appeal and the evidence presented. The arbitrator's decision shall be an advisory opinion only, non-binding on either party. The arbitrator's fees and expenses shall be borne equally by the parties. If either party requires a transcript that party will bear the entire cost of such transcript.

### 22.5 Board of Directors

Any appeal which has not been resolved by the procedures hereinabove set forth may be referred by the employee to the Board of Directors within thirty (30) calendar days of receipt of the arbitrator's advisory opinion for decision. The Board of Directors shall render a decision on the grievance based on all the material contained in the grievance file and the findings of the arbitrator.

## **Section 23. Personnel Files**

An employee or his/her representative, on presentation of written authorization from the employee, shall have access to the employee's personnel file on request. The District shall furnish the employee copies of all performance evaluation reports and letters of reprimand or warning prior to placement of such documents into the employee's personnel file. The employee may be required to acknowledge the receipt of any document entered into his/her personnel file without prejudice to subsequent arguments concerning the contents of such documents. On a good faith basis, the District will review and seal any warning letter that is more than two (2) years old on a rolling two (2) year basis.

## **Section 24. Grievance Procedure**

A grievance shall be defined as any dispute arising during the term of the Memorandum of Understanding which involves the interpretation or application of any provision of this Memorandum of Understanding

during its term, excluding all ordinances, resolutions, rules and regulations, the subject of which are not specifically covered by the provisions of this Memorandum of Understanding. Such excluded ordinances, resolutions, rules and regulations shall not be subject to the Grievance Procedure.

The employee may proceed directly to a subsequent step in the Grievance Procedure if a supervisor, department head or other management person fails to comply with the time line requirement and an alternative mutually agreeable time line has not been agreed upon in writing. The General Manager may mediate at any step in this process. The grievance will have been settled based upon the most recent written decision if an appeal is not filed within the time line requirement and an alternative mutually agreeable time line has not been agreed upon in writing.

#### 24.1 Initial Discussions

Any employee who believes that he/she has a grievance is encouraged to inform his/her immediate supervisor as soon as he/she decides that a grievance is being contemplated. Any immediate supervisor so notified will arrange a meeting time with the employee within five (5) working days of the verbal notification to discuss the nature of the complaint.

#### 24.2 Filing Grievance

If the complaint is not resolved as a result of the Initial Discussion, or an Initial Discussion does not occur, the complaint is to be presented to the immediate supervisor in writing within twenty (20) working days of the date that the employee became aware, or should have become aware, of the act or occurrence. Within ten (10) working days of receipt of the written grievance, the immediate supervisor will schedule and meet with the employee and Union representative to discuss the grievance. Within ten (10) working days of the meeting, the immediate supervisor will issue a written decision regarding the complaint.

#### 24.3 Appealing Decision

If the complaint is not resolved as a result of the immediate supervisor's written decision, an appeal is to be presented in writing to the department head in the department in which the employee works within twenty (20) working days of the receipt of the written decision by the immediate supervisor. The appeal will state the reasons for disagreeing with the immediate supervisors' written decision. Within ten (10) working days of receipt of the appeal, the department head will schedule and meet with the employee and Union representative to discuss the appeal. Within ten (10) working days of the meeting, the department head will issue a written decision regarding the complaint.

#### 24.4 Management Review

If the complaint is not resolved as a result of the department head's written decision, an appeal is to be presented in writing to the Human Resources Manager within twenty (20) working days of the receipt of the written decision by the Union from the department head. The appeal will state the reasons for disagreeing with the department head's written decision. Within twenty (20) working days of receipt of the appeal, the Organizational Services Manager and the Assistant General Manager will schedule and meet with the employee, Union representative, immediate supervisor and department head to discuss the appeal. If the appeal is from the work group under either of the Senior Managers hearing the appeal, the other Senior Manager will select the second review member. Within ten (10) working days of the meeting, a written decision regarding the complaint will be issued.

#### 24.5 Arbitration

If the complaint is not resolved as a result of the Management Review written decision, an appeal is to be presented in writing to the Administrative Services Manager by the Union within twenty (20) working days of the receipt of the written decision from the Management Review requesting non-binding arbitration.

Within five (5) working days of receiving the written request for arbitration, District will request the State Mediation and Conciliation Service or the American Arbitration Association to provide a list of seven (7) impartial persons to act as an arbitrator. The parties will meet within ten (10) working days after receipt of such list to select an arbitrator (this may be done by telephone). If there is no mutual agreement on one of the listed arbitrators, then the District and the Union or employee will alternately strike an arbitrator's name from the list of seven (7) and will then repeat this procedure. The remaining person will be the duly selected arbitrator. The procedure to determine who strikes the first name will be determined by lot. If either party refuses to participate in the selection process, the other party will make a selection of an arbitrator from the list.

Upon conclusion of the arbitration hearing, the arbitrator will provide both the General Manager and the employee or the Union with copies of his/her opinion on the merits of the appeal and the evidence presented. The arbitrator's decision shall be an advisory opinion only, non-binding on either party.

The arbitrator's fees and expenses will be borne equally by the parties. If either party requires a transcript, that party will bear the entire cost of such transcript.

#### 24.6 Board of Directors

Any grievance which has not been resolved by the procedures hereinabove set forth may be referred by either of the parties to the Board of Directors within twenty (20) working days of receipt of the arbitrator's advisory opinion for decision. The Board of Directors shall render a decision on the grievance based on all the material contained in the grievance file and the findings of the arbitrator.

#### 24.7 Pay Claims

No adjustments involving or concerning payment of compensation shall be retroactive for more than sixty (60) working days from the date the grievance is first filed in writing.

### **Section 25. Miscellaneous**

#### 25.1 Outside Employment

No employee shall engage in employment that may constitute a conflict of interest for the employee or the District. No employee shall apply himself or herself whatsoever to any outside employment during his/her regular working hours. No emblem, badge, uniform or other employee identification shall be worn by any person while in the employment of someone other than the District.

#### 25.2 Safety

Wearing of District approved safety shoes shall be a condition of employment and, where needed, the wearing of hard hats shall be a condition of employment.

### 25.3 Residency

Any person who is in "on call" status related to the water system must respond to the location of the incident within one (1) hour from the time the location of the incident and the need to respond is known or should have been known.

### 25.4 Safety Vests

The District will provide orange vests that are OSHA and District approved.

### 25.5 PERS Sick Leave

The District contracts with PERS for credit for unused sick leave.

### 25.6 Re-opener

On or about October 1 of each year of the Memorandum of Understanding, either party may request to meet and confer regarding one (1) non-economic item.

### 25.7 Professional Organizations

For each employee covered by this MOU, the District will pay for the employee's membership in up to two (2) professional/technical organizations related to the employee's classification. The District will also pay for one (1) professional/technical organization meeting per month, within the greater Bay Area, that the employee may choose to attend and in which the employee is a member. If the meeting occurs during regular working hours, the employee will receive compensation during attendance. If the meeting is during non-regular working hours, the employee will not be compensated for attendance. Other memberships and attendance will be determined on a case-by-case basis by the employee's supervisor.

## **Section 26. Separability of Provisions**

Should any Section, clause or provision of this Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such Section, clause or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Memorandum of Understanding.

Upon such invalidation the parties agree to meet and confer concerning substitute provisions for those rendered or declared illegal.

**Section 27. Past Practices and Existing Memoranda of Understanding**

Continuance of working conditions and practices not specifically authorized by ordinance or resolution of the Board of Directors is not guaranteed by this Memorandum of Understanding.

Made and entered into this 21st day of April 2026.

**DUBLIN SAN RAMON SERVICES DISTRICT**

By:   
Jan R. Lee, General Manager

By:   
Michelle Gallardo, Administrative Services Director

By:   
Samantha Koehler, Human Resources & Risk Manager

ATTEST:   
Nicole Genzale, District Secretary

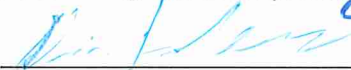
**INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 39, AFL-CIO**

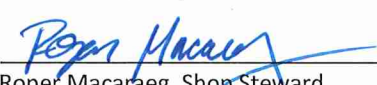
By:   
Jeff Gladieux, President, Local 39

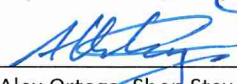
By:   
Tim Eggen, Business Manager, Local 39

By:   
Brandy Johnson, Director of Public Employees, Local 39

By:   
Mark E. Gong, Business Representative, Local 39

By:   
Kevin Avalos, Shop Steward

By:   
Roper Macaraeg, Shop Steward

By:   
Alex Ortega, Shop Steward

### **Exhibit A: List of Non-Exempt Positions**

As of the Effective Date of this MOU, the following positions are Non-Exempt positions as determined by application of the Fair Labor Standards Act:

| Classification                                             | Step E Salary<br>as of 7/1/26 |            |
|------------------------------------------------------------|-------------------------------|------------|
|                                                            | Monthly                       | Hourly     |
| Accounting Technician I                                    | \$ 9,315                      | \$ 53.7404 |
| Accounting Technician II                                   | \$ 10,247                     | \$ 59.1173 |
| Administrative Assistant I                                 | \$ 7,647                      | \$ 44.1173 |
| Administrative Assistant II                                | \$ 8,411                      | \$ 48.5250 |
| Construction Inspector I                                   | \$ 11,301                     | \$ 65.1981 |
| Construction Inspector II                                  | \$ 12,429                     | \$ 71.7058 |
| Electrician I                                              | \$ 11,046                     | \$ 63.7269 |
| Electrician II                                             | \$ 12,152                     | \$ 70.1077 |
| Engineering/Geographic Information Systems Technician I    | \$ 10,347                     | \$ 59.6942 |
| Engineering/Geographic Information Systems Technician II   | \$ 11,384                     | \$ 65.6769 |
| Environmental Compliance Inspector I (Clean Water)         | \$ 10,100                     | \$ 58.2692 |
| Environmental Compliance Inspector II (Clean Water)        | \$ 11,109                     | \$ 64.0904 |
| Environmental Compliance Inspector I (Pretreatment)        | \$ 10,934                     | \$ 63.0808 |
| Environmental Compliance Inspector II (Pretreatment)       | \$ 12,029                     | \$ 69.3981 |
| Environmental Health & Safety Technician                   | \$ 10,247                     | \$ 59.1173 |
| Information Technology Technician I                        | \$ 9,865                      | \$ 56.9135 |
| Information Technology Technician II                       | \$ 10,852                     | \$ 62.6077 |
| Instrumentation and Controls Technician I                  | \$ 11,917                     | \$ 68.7519 |
| Instrumentation and Controls Technician II                 | \$ 13,110                     | \$ 75.6346 |
| Laboratory Technician                                      | \$ 10,353                     | \$ 59.7288 |
| Maintenance Worker I                                       | \$ 8,770                      | \$ 50.5962 |
| Maintenance Worker II                                      | \$ 9,649                      | \$ 55.6673 |
| Mechanic I                                                 | \$ 10,158                     | \$ 58.6038 |
| Mechanic II                                                | \$ 11,173                     | \$ 64.4596 |
| Mechanic II (Crane Certified)                              | \$ 11,453                     | \$ 66.0750 |
| Operations Storekeeper                                     | \$ 10,240                     | \$ 59.0769 |
| Operator-In-Training                                       | \$ 8,657                      | \$ 49.9442 |
| Senior Electrician                                         | \$ 13,367                     | \$ 77.1173 |
| Senior Environmental Compliance Inspector                  | \$ 13,233                     | \$ 76.3442 |
| Senior Instrumentation and Controls Technician             | \$ 14,421                     | \$ 83.1981 |
| Senior Mechanic                                            | \$ 12,292                     | \$ 70.9154 |
| Senior Mechanic (Crane Certified)                          | \$ 12,598                     | \$ 72.6808 |
| Senior Process Wastewater Treatment Plant Operator         | \$ 13,283                     | \$ 76.6327 |
| Senior Utility Billing and Customer Service Representative | \$ 10,362                     | \$ 59.7808 |
| Senior Wastewater Treatment Plant Operator                 | \$ 12,049                     | \$ 69.5135 |
| Senior Water/Wastewater Systems Operator                   | \$ 13,158                     | \$ 75.9115 |

|                                                           |           |            |
|-----------------------------------------------------------|-----------|------------|
| Utility Billing and Customer Services Field Technician I  | \$ 8,562  | \$ 49.3962 |
| Utility Billing and Customer Services Field Technician II | \$ 9,418  | \$ 54.3346 |
| Utility Billing and Customer Services Representative I    | \$ 7,479  | \$ 43.1481 |
| Utility Billing and Customer Services Representative II   | \$ 8,228  | \$ 47.4692 |
| Wastewater Treatment Plant Operator I                     | \$ 9,956  | \$ 57.4385 |
| Wastewater Treatment Plant Operator II                    | \$ 10,954 | \$ 63.1962 |
| Water/Wastewater Systems Operator I                       | \$ 10,610 | \$ 61.2115 |
| Water/Wastewater Systems Operator II                      | \$ 11,962 | \$ 69.0115 |
| Water Quality Operator                                    | \$ 12,561 | \$ 72.4673 |

**Exhibit B: Letter of Agreement Between Dublin San Ramon Services District and the International Union  
of Operating Engineers Stationary Engineers, Local 39**

The Dublin San Ramon Services District ("District") and the International Union of Operating Engineers, Stationary Engineers, Local 39 ("Local 39") agree this letter is intended to memorialize the retiree health benefits that were made available to bargaining unit employees who were hired before June 1, 2006 and who did not elect to participate in those benefits offered to those employees who were hired on or after June 1, 2006.

Employees Hired before June 1, 2006

The District shall provide a contribution towards health care (medical) insurance to each Local 39 employee that retires from District service and who meets all eligibility requirements as a District "annuitant" as determined by CalPERS. The District's monthly contribution towards the annuitant's benefit shall be in an amount equal to the minimum employer contribution, as established annually by CalPERS. The District will also provide the annuitant with a supplemental contribution toward the CalPERS plan in which the annuitant is enrolled. The amount of any supplemental contribution will be equal to the difference between the premium of the CalPERS plan the annuitant is enrolled in up to the maximum District contribution stated in section 13.1 (b) of the current Local 39 MOU and the minimum employer contribution established by CalPERS.

Example:

| CalPERS Plan                                           | Plan<br>Premium | Minimum Employer<br>Contribution | Supplemental<br>Contribution |
|--------------------------------------------------------|-----------------|----------------------------------|------------------------------|
| Kaiser Senior Advantage<br>(Annuitant + One Dependent) | \$713.66        | \$162                            | \$551.66                     |

Employees hired on or after June 1, 2006 are not eligible for the above benefits. Employees hired on or after June 1, 2006 should refer to the current Local 39 MOU for information on available benefits.

Except as specifically provided in this Letter of Agreement, all other terms and conditions of employment as set forth in the MOU between the District and Local 39 will apply.

Dated: 5/1/26

  
Jan R. Lee, General Manager, Dublin San Ramon Services District

Dated: \_\_\_\_\_

  
Jeff Gladieux, President, Local 39

Dated: 7-21-2026

  
Tim Eggen, Business Manager, Local 39

Dated: \_\_\_\_\_

  
Brandy Johnson, Director of Public Employees, Local 39

Dated: \_\_\_\_\_

  
Mark E. Gong, Business Representative, Local 39

**SIDE LETTER OF AGREEMENT BETWEEN  
DUBLIN SAN RAMON SERVICES DISTRICT  
AND  
INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY ENGINEERS, LOCAL 39**

The Dublin San Ramon Services District ("District") and the International Union of Operating Engineers, Stationary Engineers, Local 39 ("Local 39") agree to the following:

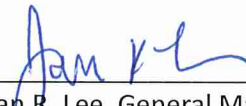
The District and Local 39 jointly referred to as "parties" agree that the terms of this Agreement are incorporated into the Memorandum of Understanding (MOU), effective December 21, 2025, through December 16, 2029, between the parties by specific reference.

Section 13.1 (c) - Retiree Medical is revised as follows:

- Section 13.1 (c)(1), employee eligibility for retiree medical benefits under Government Code Section 22893 ("Vesting Program") is updated for "Employees Hired On or After June 1, 2006 and Before May 1, 2026".
- Section 13.1 (c)(2), employee eligibility for retiree medical benefits based on District years of service is updated for "Employees Hired on or After May 1, 2026."

Except as specifically provided in this Side Letter of Agreement, all other terms and conditions of employment as set forth in the MOU between the District and Local 39 will apply.

Dated: 5/1/26

  
Jan R. Lee, General Manager, Dublin San Ramon Services District

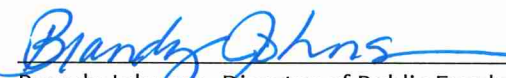
Dated: \_\_\_\_\_

  
Jeff Gladieux, President, Local 39

Dated: 7-21-2026

  
Tim Eggen, Business Manager, Local 39

Dated: \_\_\_\_\_

  
Brandy Johnson, Director of Public Employees, Local 39

Dated: 6/3/24

  
Mark E. Gong, Business Representative, Local 39