



**CONFIRMATION OF UNDERSTANDING
FOR
MANAGEMENT AND CONFIDENTIAL EMPLOYEES**

JULY 1, 2022 – JUNE 30, 2027

**CONFIRMATION OF UNDERSTANDING
BETWEEN
NORTH TAHOE PUBLIC UTILITY DISTRICT
AND
MANAGEMENT/CONFIDENTIAL EMPLOYEES**

I. PURPOSE

The purpose of this document is to memorialize certain terms and conditions of employment for the DISTRICT'S Management/Confidential employees ("EMPLOYEES") in the form of a written Confirmation of Understanding (COU). Neither this document nor the discussion surrounding it constitutes or implies that the DISTRICT has recognized or certified EMPLOYEES as an appropriate bargaining unit or the exclusive representative for the DISTRICT'S Management/Confidential employees. The terms and conditions explained in this document are applicable to EMPLOYEES in those classifications set forth in Appendix A, commencing July 1, 2022.

This COU is intended to align where possible with the currently adopted Memorandum of Understanding (MOU) between the North Tahoe Public Utility District and the Stationary Engineers, Local 39 on the AFL-CIO. Where applicable, changes to the MOU, including adopted side letters, are also adopted by this COU.

Upon the end of term, the terms and conditions of this COU will remain in place pending agreement on the next iteration of the COU.

This Confirmation of Understanding does not create any contract, express or implied, or any rights in the nature of a contract. The purpose of this document is informational only and is an interim reflection of established terms and conditions of employment and policies pending the completed update of the District's personnel rules and regulations.

II. NORTH TAHOE PUBLIC UTILITY DISTRICT PERSONNEL ORDINANCE AND RULES AND REGULATIONS

The District has adopted personnel rules and policies contained in the "North Tahoe Public Utility District Personnel Ordinance and Regulations." Those rules will continue in effect, except where stated otherwise in this COU, as applied to Management/Confidential employees. District Personnel Rules are in the process of being updated to reflect the contents of this informational document, as well as other unrelated changes. Nothing in this document is intended to be contrary to any Federal, State, or local law or ordinance. In the event of a conflict, for department heads, the Employment Agreement supersedes the COU, and for the remaining positions covered by this COU, the COU supersedes the District's most recently adopted personnel code.

III. WAGES

A. Salary Schedule and Ranges

The salary schedule for classifications covered by this COU (Chief Financial Officer excepted), effective the first full pay period in July 2022, is attached hereto in Appendix B.

B. Annual Salary Range Increase

Effective beginning July 2022, EMPLOYEES (Chief Financial Officer excepted) shall

receive an annual salary range increase as a cost-of-living adjustment (COLA) in conformance with the currently adopted MOU Section 1.13.O.

C. Merit Based Salary Increases

EMPLOYEES (Chief Financial Officer excepted) shall be eligible for merit based salary increases in conformance with the currently adopted MOU Section 1.13.K.

D. Longevity Payments

EMPLOYEES (Chief Financial Officer excepted) shall be eligible for longevity payments in conformance with the currently adopted MOU Section 1.13.P.

E. Sixth Wage Range Step

EMPLOYEES shall be transitioned from earnable performance pay to a sixth wage step in conformance with the currently adopted MOU Section 1.20.H.

F. Compaction

In the event that changes to salaries in groups other than the Management Confidential Group create significant compaction issues (i.e., a supervisor making less than 5% above a subordinate), the District will meet with the affected EMPLOYEE(S) to discuss the impact of said changes.

G. Probation

A regular EMPLOYEE appointed to a position in an unclassified job (Chief Financial Officer excepted) shall serve a period of probation. The probationary period shall be twelve (12) months long. Probationary EMPLOYEES may be rejected at any time and for any reason and without the right of appeal or hearing. EMPLOYEES shall not be required to serve a probationary period when they are appointed to a position that has been reclassified.

IV. AUTO ALLOWANCE AND PHONE STIPEND

A. Auto Allowance

Department Heads will receive a District provided automobile or shall receive a monthly automobile allowance as outlined in their employment agreement.

For the remaining positions, a District provided automobile or monthly auto allowance shall be at the sole discretion of the General Manager/CEO.

B. Phone Stipend

Phone Stipends shall be at the sole discretion of the General Manager/CEO.

V. VACATION, SICK LEAVE, AND PERSONAL LEAVE

A. Vacation

1. Accrual

Regular EMPLOYEES are entitled to accrue vacation leave on the basis of continuous years of service in accordance with the following schedule:

- i. 0 – four (4) years of employment 3.38 hours per pay period
- ii. After the fourth (4th) anniversary 4.92 hours per pay period
- iii. After the ninth (9th) anniversary 6.15 hours per pay period
- iv. After the fourteenth (14th) anniversary 6.77 hours per pay period
- v. After the nineteenth (19th) anniversary 7.69 hours per pay period

As a component of an employment offer, the General Manager/CEO shall have authority to assign an individual EMPLOYEE early access to the additional vacation of up to 4.92 hours per pay period. However, additional vacation accrual, beyond the additional amount assigned by the General Manager/CEO, shall not occur until the EMPLOYEE's anniversary and accrual rate matches the above schedule.

2. Vacation Accrual Maximum

No vacation may be earned or accumulated above (3) times the EMPLOYEE's annual accrual rate.

3. Vacation Leave Sell Back Option

Vacation hours sell back shall be in conformance with the currently adopted MOU Section 1.16.H.

B. Sick Leave

1. Sick Leave Use

Sick leave shall use shall be in conformance with the currently adopted MOU Section 1.17.A.

2. Sick Leave Accrual

Sick leave accrual shall be in conformance with the currently adopted MOU Section 1.17.B.

3. Sick Leave Request Process

Sick leave can be granted only by an EMPLOYEE's Manager. Requests for sick leave shall be presented in advance for medical and dental appointments. The Manager may require evidence in the form of a physician's statement or other documentation of the reason for an EMPLOYEE's absence for medical purposes. Upon advance notification, vacation or administrative time off may be used to supplement available sick leave in non- recurring emergency situations at the discretion of the Manager.

4. Statement

Following an absence for illness, injury, or exposure to a contagious disease, the General Manager/CEO may require a statement by a physician indicating that the EMPLOYEE is fit to return to work.

5. Misuse of Sick Leave Prohibited

Use of sick leave for any purpose other than that defined above may be grounds for discipline, up to and including termination.

6. Supervisor Notice Required

To be eligible for sick leave, the EMPLOYEE must notify his Supervisor or General Manager/CEO prior to the time set for performing the EMPLOYEE's daily duties.

7. Sick Leave Reporting

If a Supervisor/Manager has reason to believe that an EMPLOYEE is not using their sick leave appropriately, e.g., unusual pattern of sick leave use, frequent use of incidental sick leave, etc., the employer may place an EMPLOYEE on a sick leave reporting requirement.

8. Sick Leave Payment at Separation of Employment

Upon termination, separation, or retirement, an EMPLOYEE who has completed twelve (12) months of consecutive employment will be paid as follows: 75% of accumulated sick leave will be paid to the EMPLOYEE regardless of years of service. 100% of an EMPLOYEE's accumulated sick leave balance will be paid to the EMPLOYEE's beneficiary in the event of death.

In lieu of the above, employees who retire from the DISTRICT may convert accumulated sick leave hours for CalPERS Service Credit subject to CalPERS Unused Sick Leave Credit conversion limitations. Any non-converted sick leave balance would be paid subject to the above-stated percentages.

9. Annual Sick Leave Sell Back Option

Sick leave buyout shall be in conformance with the currently adopted MOU

Section 1.17.K.

10. Sick Leave as Personal Leave

EMPLOYEES are allowed to use thirty-two (32) hours of sick leave per year for personal leave, to be used at their discretion. Personal leave must be approved by the EMPLOYEE's supervisor in advance of the EMPLOYEE's use of such leave. Personal leave may not be accrued from year to year. Unused personal leave will remain as accrued sick leave.

VI. BILINGUAL PAY

The District will pay additional 2% bilingual incentive pay for those EMPLOYEES assigned by the District to translate or communicate in a language other than English. Designated languages must meet the business need of the District as determined by the General Manager. Bilingual assignments are made at the sole discretion of the General Manager/CEO.

VII. HEALTH AND WELFARE COVERAGE

A. Health, Dental, and Vision Insurance Program

The Health and Welfare benefits shall be in conformance with the currently adopted MOU Sections listed below.

MOU Sections:

- 1.21.A. Health Benefits
- 1.21.B. Premium Continuation Program
- 1.21.C. Dental and Orthodontia Coverage
- 1.21.D. Vision Coverage
- 1.21.E. Health Reimbursement Arrangements (HRA)

VIII. RETIREMENT PROGRAM

The Retirement Program shall be in conformance with the currently adopted MOU Sections listed below.

MOU Section:

- 1.21.01.A. District Plan - Classic Member
- 1.21.01.B. District Plan - New Member
- 1.21.01.C. Definitions

IX. DISABILITY RELATED AND LIFE INSURANCE PROGRAMS

The Disability Related and Life Insurance Programs shall be in conformance with the currently adopted MOU Sections listed below.

MOU Section:

- 1.21.02.A. State Disability Insurance (SDI)
- 1.21.02.B. Long-term Disability Insurance
- 1.21.02.C. Life Insurance

X. CERTIFICATIONS AND MEMBERSHIPS

The costs to maintain all required or job appropriate certifications and memberships of the EMPLOYEE for their position shall be paid by the DISTRICT. These costs include memberships, dues, fees, travel expenses, test and event registrations, etc.

XI. ADMINISTRATIVE TIME

A. Exempt Employees

Exempt EMPLOYEES (as designated by the District) receive forty (40) hours of administrative time off without loss of compensation in lieu of overtime or any other compensation.

Administrative time off does not accumulate from year to year. Thus, any time not taken off prior to June 30, shall be forfeited. All administrative days off must be approved in writing by the General Manager/CEO and/or Department Head or their designee, prior to their being taken.

Administrative time off will be treated the same as vacation and personal leave for scheduling and approval purposes. The General Manager/CEO at his/her discretion, may authorize additional administrative time off without loss of compensation on a case-by-case basis, if deemed in the best interest of the District.

XII. EMERGENCY RESPONSE SUPPORT

- A. The District has a routine and regular requirement for EMPLOYEES to respond to emergency situations in the field on a 24-hour basis. This requires select managers/supervisors to be able to respond and provide emergency response support.
- B. In order to meet the District's emergency response support needs, the following classifications have after hours responsibility for the following Departments:
 - 1. Operations Department: Utility Operations Manager (primary), Utility Operations Superintendent (secondary), and Engineering and Operations Manager (tertiary)
 - 2. Engineering Department: Engineering Manager (primary), Engineering and Operations Manager (secondary), and Senior Engineer (tertiary)
 - 3. Recreation, Parks, and Facilities Department: Recreation, Parks, and Facilities Manager (primary) and Parks and Facilities Superintendent (secondary)
 - 4. Information Technology Department: Operational and Information Technology Manager (primary) and Engineering and Operations Manager (secondary)
- C. The General Manager/CEO may designate additional classifications to provide emergency

response support to meet the service needs of the District in the event of emergency situations.

XIII. COMPENSATION FOR ACTING APPOINTMENTS

Subject to the following conditions, an EMPLOYEE who is required on the basis of an acting appointment to serve in a class with a higher salary range than that of the class in which the EMPLOYEE is normally assigned will receive the entrance salary rate of the higher salary range or the rate of five percent (5%) higher than the EMPLOYEE normally receives, whichever is greater.

- A. Such pay will be for all hours worked in an acting appointment which are in excess of 80 hours in any six-month period.
- B. The EMPLOYEE must perform all the duties and assume all the responsibilities of the higher class.
- C. Compensation for acting appointments is limited to the temporary filling of a vacant regular position due to termination, promotion, vacation, military or sick leave of the incumbent or the temporary filling of a newly budgeted position, where the needs of the District require that the position be filled.
- D. The General Manager/CEO must approve all such appointments based upon a finding that the criteria set forth in this paragraph have been met.

XIV. WORK SCHEDULE

Except in cases deemed to be an emergency by General Manager/CEO or the Department Head involved, EMPLOYEES will be provided with at least 14 calendar days' prior notice in advance of any work schedule change.

XV. HOLIDAYS

The observed paid holidays shall be in conformance with MOU Sections 1.15.A and B.

Exempt EMPLOYEES may, in the Department Head's discretion, be granted an additional administrative/floating holiday day off if they are required to work a designated District paid holiday.

A. Eligibility for Holiday Pay

In order to be eligible for a paid holiday, EMPLOYEES must be in a paid status both the workday before and the workday after the holiday. For example, if a holiday fell on a Monday, and the EMPLOYEE was on a 4/10 work schedule with Fridays off, the EMPLOYEE would be required to be in a paid status on the Thursday before the holiday and the Tuesday following the holiday.

XVI. Uniform and Clothing Allowance

All EMPLOYEES are eligible for a Clothing Allowance in conformance with the currently

adopted MOU Section 1.25:

A. The annual uniform/ work clothing allowance at 100% for the EMPLOYEES in the following job classifications:

- Engineering and Operations Manager
- Engineering Manager
- Operational and Information Technology Manager
- Project Engineer and Construction Manager
- Public Information Officer
- Recreation, Parks, and Facilities Manager
- Recreation and Facilities Superintendent
- Senior Engineer
- Utility Operations Manager
- Utility Operations Superintendent

B. The uniform/ work clothing allowance at 75% for the EMPLOYEES in the following job classifications:

- Administrative Liaison/Board Secretary
- Chief Financial Officer
- Controller
- Customer Account Manager
- Human Resources Manager
- North Tahoe Event Center Manager

Foul Weather Gear, Safety Equipment/PPE, and other specialized clothing shall be provided to EMPLOYEE as required for their job duties as determined by the General Manager/CEO or his or her designee.

XVII. LAYOFFS

A. Seniority and Benefits Upon Reinstatement After Layoff

EMPLOYEES who are reinstated to the same or equivalent classification within two (2) years after layoff shall have their seniority date restored to that prior to layoff.

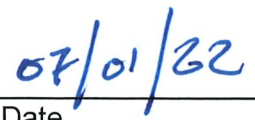
Probationary EMPLOYEES who are laid off will, upon reinstatement, be required to serve any remaining balance of their original probationary period. In addition, reinstated EMPLOYEES will be entitled to the restoration of personal leave accrual rates they were eligible to receive prior to layoff.

Confirmation of Understanding

BY:


Bradley A. Johnson, P.E., General Manager/CEO

Date



NORTH TAHOE PUBLIC UTILITY DISTRICT CONFIRMATION OF UNDERSTANDING

APPENDIX A

CLASSIFICATIONS

MANAGEMENT/DEPARTMENT HEADS (with Employment Agreement)

Chief Financial Officer

Engineering and Operations Manager

Recreation, Parks, and Facilities Manager

Utility Operations Manager

MID-MANAGEMENT/CONFIDENTIAL

Administrative Liaison/Board Secretary

Controller

Customer Account Manager

Engineering Manager

Human Resources Manager

North Tahoe Event Center Manager

Operational and Information Technology Manager

Parks and Facilities Superintendent

Project Engineer and Construction Manager

Public Information Officer

Senior Engineer

Utility Operations Superintendent

NORTH TAHOE PUBLIC UTILITY DISTRICT

CONFIRMATION OF UNDERSTANDING

APPENDIX B

BI-WEEKLY WAGE SCHEDULE

Effective July 1, 2022

Position	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
Controller	4,084.00	4,288.00	4,501.60	4,726.40	4,962.40	5,211.20
Customer Accounts Manager	3,343.20	3,509.60	3,684.80	3,868.80	4,061.60	4,264.80
Engineering & Operations Manager	6,317.60	6,632.80	6,964.00	7,312.00	7,677.60	8,061.60
Engineering Manager	5,761.60	6,049.60	6,352.00	6,669.60	7,002.40	7,352.80
Project Engineer & Construction Manager	4,377.60	4,596.00	4,825.60	5,066.40	5,319.20	5,585.60
Senior Engineer	5,011.20	5,261.60	5,524.00	5,800.00	6,089.60	6,394.40
Administrative Liaison/Board Secretary	3,411.20	3,581.60	3,760.00	3,948.00	4,144.80	4,352.80
Human Resources Manager	4,369.60	4,588.00	4,816.80	5,057.60	5,310.40	5,576.00
Operations & Information Technology Manager	4,377.60	4,596.00	4,825.60	5,066.40	5,319.20	5,585.60
Utility Operations Manager	5,072.80	5,326.40	5,592.00	5,871.20	6,164.00	6,472.80
Utility Operations Superintendent	4,200.00	4,409.60	4,629.60	4,860.80	5,103.20	5,358.40
Event Center Manager	2,956.80	3,104.00	3,258.40	3,420.80	3,591.20	3,771.20
Parks & Facilities Superintendent	3,490.40	3,664.80	3,848.00	4,040.00	4,241.60	4,454.40
Recreation, Parks, & Facilities Manager	4,132.80	4,339.20	4,556.00	4,783.20	5,021.60	5,272.80
Public Information Officer	3,411.20	3,581.60	3,760.00	3,948.00	4,144.80	4,352.80