

**2021 MOU NEGOTIATIONS
SANTA CLARA VALLEY WATER DISTRICT AND
EMPLOYEES ASSOCIATION, ENGINEERS SOCIETY, PROFESSIONAL
MANAGERS ASSOCIATION**

**Redlined MOU Language for Employees Association (AFSMCE) MOU Under Package TA
at Coalition Table on Key Economic Issues on 11/4/21**

ARTICLE 3. COMPENSATION

Section 1. Salaries

- A. Across the Board Salary Adjustments (ABSA) will be effective as follows:

Pay Period 14 Year 2022	Pay Period 14 Year 2023	Pay Period 14 Year 2024	Pay Period 14 Year 2025
3.0%	3.0%	3.0%	3.0%

All employees covered by the 2.0% @ 62 (2.5% @ 67) PEPRA retirement formula shall receive a one-time lump sum and non-PERSable payment of \$1,000 the first full pay period in January 2022.

All employees whose position mandated that they report to work on-site (i.e., did not telework) at least 50% of the time during March 1, 2020, to May 30, 2021, of the Covid-19 pandemic shall receive a one-time lump sum and non-PERSable payment of \$1,000 the first full pay period in January 2022.

- B. Payday shall be the Thursday following the last day of the pay period for which the pay was earned. In the event a regularly scheduled payday falls on a holiday, the workday immediately preceding the holiday will be observed as the official payday.
- C. Employees will be notified by email at the end of each pay period when direct deposit paycheck stubs are available for web-friendly viewing and printing. Employees who receive paper paychecks can continue to pick up their paycheck from the Payroll department on the designated payday.
- D. Valley Water shall continue to offer direct deposit to all eligible employees, as available.

[No coalition agreements to change rest of Article 3]

ARTICLE 6. PENSION BENEFITS

Section 1. PERS Pension

- A. Valley Water will continue to participate in the Public Employees' Retirement System (PERS) with benefits as currently provided at the 2.5% @ 55 Formula Benefit Level for employees hired prior to March 19, 2012. Employees hired March 19, 2012, or thereafter, will participate in the Public Employees' Retirement System (PERS) with benefits provided in the contract with PERS at the 2% @ 60 formula Benefit Level. Employees hired January 1, 2013, or thereafter who qualify as new members will be

placed in the PEPRA PERS formula of 2.0% @ 62 (2.5% @ 67). All pension benefits are subject to the provisions of the contract with PERS, as amended from time to time, the terms of which are incorporated by reference as if fully set forth herein.

- B. Employees participating in the PERS 2.5% @ 55 formula and the PERS 2.0% @ 60 formula (Classic) will pay 11.0% towards their pension benefits which include the employee required contribution as well as an additional amount (3.0% for PERS 2.5% @ 55 formula and 4.0% for PERS 2.0% @ 60 formula) towards the employer's contribution. These deductions will be pre-tax to the extent allowable by law:

Effective the first full pay period in July of 2022, employees participating in the PERS 2.5% @ 55 formula will contribute only the 8.0% employee contribution rate and will no longer contribute any additional amount toward the employer contribution. Effective the first full pay period in July of 2022, employees participating in the PERS 2.0% @ 60 formula will contribute only the 7.0% employee contribution rate and will no longer contribute any additional amount toward the employer contribution. These deductions will be pre-tax to the extent allowed by law.

- C. Employees participating in the formula of 2.0% @ 62 (2.5% @ 67) (PEPRA) will pay 50% of the total normal cost as determined by CalPERS plus an additional 2.0% toward their pension benefits. Effective the first full pay period in July of 2022, employees participating in the 2.0% @ 62 (2.5% @ 67) will only be required to pay 50% of the total normal cost as determined by CalPERS toward their pension benefits. These deductions will be pre-tax to the extent allowable by law:
- D. Valley Water will continue to include an option in the retirement contract which allows retirement credit for military service under the terms and conditions as specified by PERS.
- E. The PERS Retirement Plan will include Post Retirement Survivor Continuance and Retirement Credit for Unused Sick Leave for the 2.5% @ 55 plan.
- F. The employee survivor benefits will be Level 4 as specified in the 1959 Survivor Benefits Report of the California Public Employees Retirement System for the 2.5% @ 55 plan.
- G. The PERS Retirement Plan Final Compensation will be calculated by using the average monthly rate over the highest consecutive 12-month period for the 2.5% @ 55 plan. The PERS Retirement Plan Final Compensation for the 2% @ 60 plan will be calculated by using the average monthly rate over the highest consecutive thirty-six (36) month period. The PERS Retirement Plan Final Compensation for the PEPRA PERS plan of 2.0% @ 62 (2.5% @ 67) will be calculated by using the average monthly rate over the highest consecutive thirty-six (36) month period.
- H. Valley Water will continue implementing the provisions of Internal Revenue Code 4140(h) (2) which allows the employee's salary to be reduced by the amount of the employee's retirement contribution only for the purposes of computing Federal and State income tax. The employee PERS contribution will be taken against the actual base salary prior to reduction for taxation purposes.

Section 2. Retiree Health Benefits

- A. This section does not apply to those Valley Water employees who retired from Valley Water prior to July 1, 1988.
- B. Eligibility requirements for retiree medical coverage are as follows:
 - 1. Eligible retirees hired prior to March 1, 2007:
 - a. Eligible retirees with a minimum of ten (10) years (20,800 hours) of continuous District service will receive medical coverage.
 - b. Eligible retirees with a minimum of fifteen (15) years (31,200 hours) of continuous District service will receive medical coverage for the employee plus one eligible dependent.
 - 2. Eligible retirees hired on or after March 1, 2007:
 - a. Eligible retirees with fifteen (15) years (31,200 hours) of continuous service will receive medical coverage.
 - b. Eligible retirees with twenty (20) years (41,600 hours) or more years of continuous service will receive medical coverage for the employee plus one eligible dependent.
 - 3. Eligible retirees – service credit for prior public agency employment:
 - a. For purposes of satisfying the continuous Valley Water service requirement in Section 2(B)(1)-(2) above, Valley Water employees employed or hired during any portion of the term of this Memorandum of Understanding shall be credited for any prior employment at the State of California or any political subdivision thereof, including any city, county or special district (Service Credit).
 - b. This provision shall not apply retroactively to former Valley Water employees who left Valley Water employment prior to the effective date of this Memorandum of Understanding.
 - c. To be eligible for the Service Credit, employees shall have a minimum of five (5) years (10,400 hours) of actual and continuous employment at the Valley Water prior to the date of retirement with CalPERS. For employees hired during the term of this Memorandum of Understanding, completion of the aforementioned five-year (10,400 hours) requirement following expiration of this Memorandum of Understanding shall be sufficient to trigger the survival clause in subsection (e) below.
 - d. Eligibility for the Service Credit under this subsection is further conditioned upon employees' full cooperation with Valley Water in any reasonable efforts to obtain records or other proof of employees' prior public agency service.

- e. Service Credit awarded during the term of this Memorandum of Understanding pursuant to this Section 2(B)(3) shall survive expiration of this Memorandum of Understanding. However, nothing in this Section 2(B)(3) is intended to create any other duties or obligations of Valley Water for future employees hired after the expiration of this Memorandum of Understanding.
- C. A retired employee has the option to continue coverage for additional eligible dependents by paying the premium to Valley Water.
- D. Retirees who live outside the Kaiser service area will not be permitted to enroll in the Kaiser plan.
- E. Valley Water will include this assumption in conducting an actuarial analysis to estimate the impact on reducing the unfunded liability.
- F. During periods when an eligible retiree has medical coverage from another employer, that coverage will be primary and Valley Water's coverage will become secondary.
- G. Upon the retiree's death, Valley Water will continue medical coverage for the retiree's surviving eligible dependent. Valley Water-paid continuation of a second eligible dependent will cease upon the retiree's death.
- H. Any other surviving eligible dependents that were on the plan at the time of the retiree's death have the option to continue coverage by paying the premium to Valley Water. New or additional dependents cannot be added after the retiree's death.
 - 1. An eligible Valley Water retiree is defined as:
 - a. An employee who retired from Valley Water on and after July 1, 1988, and is eligible for California Public Employees' Retirement System (CalPERS) service retirement (age fifty (50) or over with a minimum of five (5) years of CalPERS service credit); and
 - b. Subject to Section 2(B)(3) above, an employee with a minimum of ten (10) years (20,800 hours) of continuous Valley Water service; or
 - c. An employee with a minimum of five (5) years (10,400 hours) of continuous District service who is eligible for CalPERS disability retirement.
- I. It is understood that by entering into this MOU, neither party waives any legal rights, including the Union's or an employee's right to assert that retiree health benefits are vested, or what the vested benefit constitutes, as to employees working or who retired at any point between December 30, 2006, and December 31, 2011.
- J. The retiree health benefits provided to eligible Valley Water retirees will be the same health benefits that Valley Water provides its active regular full-time employees. Except as noted below, retiree premium sharing will be based on the premium sharing percentage required of active employees on the same premium amounts that apply to the medical plans for active employees, or retiree rates, whichever is less. Retiree premium sharing shall not apply to employees hired by Valley Water prior to December 30, 2006.

Section 3. Medicare Enrollment

As of August 1, 2007, all current retirees not yet 65 years of age and Medicare-eligible and all future retirees who are Medicare eligible, must enroll themselves in Medicare when they reach the eligibility date for Medicare (presently at age 65). Their Medicare eligible dependents, who are enrolled in the Valley Water's health plan, must also enroll in Medicare upon their eligibility date. Failure to enroll in Medicare Part B will result in termination of retiree medical benefits. The Valley Water will reimburse the ongoing Medicare Part B cost incurred by the retiree and/or dependent. The method of reimbursement shall be developed by Valley Water, but reimbursements shall be made no less frequent than quarterly. Valley Water will also include this assumption in conducting its actuarial analysis to estimate the impact on reducing the unfunded liability.

Section 4. Deferred Compensation

- A. Valley Water agrees to continue to make available reasonable deferred compensation programs.
- B. The Union will have the right to representation on Valley Water's deferred compensation committee.
- C. For the term of this contract, which expires on December 31, 2025, Valley Water agrees to match up to the amount outlined in the Engineers Society MOU or one thousand eight hundred (\$1,800) dollars, whichever amount is greater, per calendar year. The match payments will be contributed to the employee's 401(a) account.

ARTICLE 8. LEAVES OF ABSENCE

[No coalition agreements to change Article 8, Sections 1, 2, 3, 5, 6, and 7]

Section 4. Parental Leave

- A. Upon employee request, a parental leave of absence not to exceed six (6) months (or as required by law) may be granted by the employee's first level manager for disability related to the birth of the employee's child; for the employee to bond with his/her newborn child; or for the placement of a child with an employee for adoption or foster care of the child.
- B. All or a portion of parental leave of absence will be designated as FMLA, CFRA and/or PDL as applicable.
- C. An employee is required to utilize all available sick leave during the period of disability of the parental leave of absence. Use of other accrued time for parental leave, or use of sick leave for parental leave subsequent to the period of parental disability, may be used at the employee's option.
- D. Upon return to work, an employee on parental leave shall be reinstated to his/her former or a comparable level position.

ARTICLE 11. WORKFORCE DEVELOPMENT

Section 1. Tuition Reimbursement

- A. The Union and Valley Water agree that it is in the best interest of both, for not only the employee to initiate but Valley Water to provide, training and other opportunities to further facilitate an employee's career development.
- B. In accordance with Valley Water policy, employees with six (6) or more months of continuous service may be reimbursed for tuition or expense payments incurred in taking courses outside of normal working hours related to Valley Water employment. All such requests for reimbursement must be approved by Valley Water prior to taking the course. The course content must have some direct relationship to the work of Valley Water. Courses that are required as a part of an employee's general qualifications for his/her class are not within the scope of this program.
- C. Upon approval of a course and completion with a passing grade of C or better (Pass in the cases where only Pass/Fail is given) the employee will be reimbursed the cost of the tuition and other costs such as laboratory fees and assigned textbooks. Total tuition reimbursement shall not exceed three thousand, five hundred dollars (\$3,500) in a fiscal year. No unpaid balances over the maximum will be carried forward to the next fiscal year.
- D. Courses must be given by an accredited institution.

[No coalition agreements to change Article 8, Sections 2, 3, and 4]

ARTICLE 27. TERM

This MOU shall become effective January 1, 2022, and shall remain in effect through December 31, 2025, and from year-to-year thereafter unless either party serves written notice on the other of its desire to terminate this MOU or amend any provision thereof at least one hundred twenty (120) days prior to December 31, 2025, or one hundred twenty (120) days prior to December 31 of any successive year.