

Agenda

Sacramento Suburban Water District Employee Benefits Ad Hoc Committee Meeting

3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

Wednesday, June 16, 2021
3:30 p.m.

This meeting will be conducted both in-person in the District’s Boardroom at the address above, and by videoconference and teleconference using the information provided below. The public is invited to listen, observe, and provide comments during the meeting by any method provided. The Chairperson will call for public comment on each agenda item at the appropriate time and all votes will be taken by roll call.

Due to State guidelines on physical distancing in public gatherings, the Boardroom can accommodate a maximum occupancy of 16 members of the public at one time. Members of the public shall be admitted on a first-come basis with no reservations. When the occupancy maximum of 16 is reached, any remaining individuals will be directed to attend via video/teleconference remotely. Although the Boardroom will be setup to maintain required physical distancing, attendees must follow current State and County requirements. Prior to entry into the building, attendees will be asked to answer COVID-related health questions. Based on the answers, or if attendee refuses to answer questions, entry may be denied. Face masks are required to be worn at all times. Hand sanitizer and masks will be available at the entrance for attendees to use. Additionally, eating and drinking while in the building is prohibited, as it is not possible to maintain face coverings while eating and/or drinking.

The District recommends that members of the public participate in public meetings via videoconference and/or teleconference per the instructions below.

For members of the public interested in viewing and having the ability to comment at the public meeting via Zoom, an internet enabled computer equipped with a microphone and speaker or a mobile device with a data plan is required. Use of a webcam is optional. You also may call in to the meeting using teleconference without video. Please use the following login information for videoconferencing or teleconferencing:

Join the meeting from a computer, tablet or smartphone:

<https://us02web.zoom.us/j/83509593613?pwd=ZGVCTkpKNjhrMndaODhIOHNZVCtwdz09>

Meeting ID: 835 0959 3613

Password: 243236

You can also dial in using your phone: 1 (669) 900-6833

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Zoom uses encryption of data during Zoom meetings. The District uses a secure password to restrict access to scheduled meetings. The meeting host has control of content sharing, recording, and chat.

Please mute your line.

Where appropriate or deemed necessary, the Committee may take action on any item listed on the agenda, including items listed as information items. Public documents relating to any open session item listed on this agenda that are distributed to all or a majority of the members of the Board of Directors less than 72 hours before the meeting are available for public inspection in the customer service area of the District's Administrative Office at the address listed above.

The public may address the Committee concerning an agenda item either before or during the Committee's consideration of that agenda item. Persons who wish to comment on either agenda or non-agenda items should fill out a Comment Card and give it to the General Manager. The President will call for comments at the appropriate time. Comments will be subject to reasonable time limits (3 minutes).

In compliance with the Americans with Disabilities Act, if you have a disability, and you need a disability-related modification or accommodation to participate in this meeting, then please contact Sacramento Suburban Water District Human Resources at 916.679.3972. Requests must be made as early as possible, and at least one full business day before the start of the meeting.

Call to Order

Roll Call

Announcements

Public Comment

This is an opportunity for the public to comment on non-agenda items within the subject matter jurisdiction of the Committee. Comments are limited to 3 minutes.

Consent Items

The committee will be asked to approve all Consent Items at one time without discussion. Consent Items are expected to be routine and non-controversial. If any member of the Committee, staff or interested person requests that an item be removed from the Consent Items, it will be considered with the action items.

1. Minutes of the May 3, 2021 Employee Benefits Ad Hoc Committee Meeting

Recommendation: Approve subject minutes.

Items for Discussion and Action

2. Employee Handbook Review

Recommendation: Agree with the timeline to complete the Employee Handbook update by December 31, 2021, and complete the process of updating the Employee Handbook before addressing any changes to the content of the Employee Handbook.

3. Employee Handbook Review - Sick Leave

Recommendation: Receive information from District staff regarding Sick Leave and direct staff appropriately.

Adjournment

Upcoming Meetings:

Monday, June 21, 2021, at 5:45 p.m., Financing Corporation Board Meeting

Monday, June 21, 2021, at 6:00 p.m., Regular Board Meeting

Wednesday, June 28, 2021, at 3:30 p.m., Finance and Audit Committee Meeting

Wednesday, July 7, 2021, at 3:00 p.m., Carmichael Water District/Sacramento Suburban Water District 2x2 Ad Hoc Committee Meeting

I certify that the foregoing agenda for the June 16, 2021, meeting of the Sacramento Suburban Water District Employee Benefits Ad Hoc Committee was posted by June 11, 2021 in a publicly-accessible location at the Sacramento Suburban Water District office, 3701 Marconi Avenue, Suite 100, Sacramento, California, and was made available to the public during normal business hours.

Dan York
General Manager/Secretary
Sacramento Suburban Water District



Agenda Item: 1

Date: June 16, 2021

Subject: Minutes of the May 3, 2021, Employee Benefits Ad Hoc Committee Meeting

Staff Contact: Dan York, General Manager

Recommended Board Action:

Approve the draft minutes of the May 3, 2021, Employee Benefits Ad Hoc Committee Meeting.

Attachment:

1 – Draft Minutes

Minutes

Sacramento Suburban Water District
Employee Benefits Ad Hoc Committee
Monday, May 3, 2021

Location:

Video and Audio Conference Only at 1-669-900-6833, or Zoom at Meeting Id # 833 6272 5954

Call to Order – Videoconference/Audioconference Meeting

Chair McPherson called the meeting to order at 3:30 p.m.

Roll Call

Directors Present: Kevin Thomas and Kathleen McPherson.

Directors Absent: None.

Staff Present: General Manager Dan York, Heather Hernandez-Fort, Amy Bullock, Susan Schinnerer, Matt Underwood, Jeff Ott, Erik Flaa, and Dana Dean.

Public Present: Bill Eubanks, Robert Wichert, Josh Horowitz, Terri Ezaki, Katie Huddleston, Dave Jones, and Craig Locke.

Announcements

General Manager, Dan York (GM York) announced:

- The Finance and Audit Committee Meeting is scheduled for Wednesday, May 5, 2021, at 4:00 p.m.;
- Beginning at the May 17, 2021, regular Board meeting, all meetings going forward will be both in-person as well as virtual;
- The ACWA Virtual Spring Conference is May 12 through 13, 2021, and the registration deadline is May 7, 2021.

Public Comment

None.

Items for Discussion and Action

1. Benefits Program Analysis

Susan Schinnerer (Ms. Schinnerer) presented the staff report and introduced Terri Ezaki (Ms. Ezaki) and Katie Huddleston (Ms. Huddleston) with Edgewood Partners Insurance Center, Inc. (EPIC).

Ms. Ezaki and Ms. Huddleston presented a PowerPoint presentation on benchmarking results and cash in lieu alternatives, and answered clarifying questions.

Chair McPherson requested a copy of the presentation.

Director McPherson expressed she was interested in having the Committee make a recommendation to the full Board to cap the amount for cash in lieu alternatives, expressing she would be interested in making that change during open enrollment. She expressed she felt the District was overly generous in that area, and was unsure of exactly what amount would be reasonable, noting \$300 or \$400 was a little too high.

Ms. Schinnerer suggested holding off on any recommendations until they were able to present all the items if possible.

Ms. Ezaki and Ms. Huddleston presented several options such as a tiered approach, or a multi-year approach. They encouraged the Committee to use clear communication with staff about any changes.

Director Thomas stated it was difficult to decide what the best approach would be, noting he was comfortable with \$300 and that he would be interested in making the change in a year, allowing staff time to prepare.

William Eubanks (Mr. Eubanks) suggested dropping the amount to zero, as he felt it was a gift of public funds.

Director Thomas noted that the program was a cost savings to the District.

Chair McPherson expressed that she was interested in making the amount more reasonable.

GM York expressed that the program was established back in 2005 in an effort to save money for the District, noting that at that time, the amount was less, as insurance costs were lower in 2005.

Ms. Ezaki expressed that dropping the program to zero would make a substantial impact on District staff, as they have had the program for years, and have adapted to the additional income.

Erik Flaa (Mr. Flaa) expressed he was a staff member participating in the program and pointed out that the program was being called a cost to the District, when in fact, he stated, it was a savings to the District. He expressed that if those staff members took advantage of the insurance coverage offered by the District, instead of the cash in lieu program, it would double the amount the District had to pay. He added that by lowering the amount, there was a potential that some, if not all, staff members would no longer participate in the program, and instead opt for the insurance coverage instead.

Chair McPherson inquired if Mr. Flaa would opt for the insurance coverage if the amount changed.

Mr. Flaa expressed he would decide what would be in the best interest of his family based on the amount that will be implemented.

2. Employee Handbook Overview

GM York presented the staff report and introduced District Legal Counsel Josh Horowitz (Mr. Horowitz) who provided clarification on the authority levels that the Board and General Manager has over the District's employee handbook.

Chair McPherson expressed she was interested in removing any reference to employee benefits and employee compensation from the handbook, and wanted to ensure there were dates cited when items related to the handbook were approved by the Board.

Mr. Horowitz agreed stating that would be a good practice. He noted that San Juan Water District recently revised their handbook which included a statement at each chapter that identified if the section was approved by the Board or not.

Chair McPherson expressed concern over the handbook given what just took place at Carmichael Water District (CWD).

Mr. Horowitz expressed that the District had much tighter policies than CWD, noting there was a more thorough budget review, including fraud procedures as a part of the District's audit. He noted that was an additional procedure, not required in standard audits, and expressed the District had a great degree of confidence.

Director Thomas inquired if there were any suggestions that Mr. Horowitz had that the District could improve upon.

Mr. Horowitz expressed that the District was already a model District, and that the District demanded a high degree of detail in its budgeting and oversight. He stated that the Committee had the authority make recommended changes to the handbook if they so choose.

GM York expressed that staff was currently working on improving the District handbook in an effort to make it more current and cohesive.

Director Thomas recommended to review the handbook every 2 or 4 years.

The Committee requested to bring an item to the May regular Board meeting requesting staff separate out the policies that the General Manager is responsible for, and policies that the Board is responsible for, and place them in separate documents.

Mr. Eubanks inquired what happened at CWD.

Chair McPherson expressed that CWD had policies in their handbook that effected employee compensation and benefits. She stated it was determined that those policies were not approved by their Board.

Chair McPherson expressed that compensation and benefits needed to be removed from the handbook and put in a special Board policy document, which was cited and noted when anything changed.

3. Employee Handbook Review

Ms. Schinnerer presented the staff report and answered clarifying questions.

Chair McPherson requested staff look into the cost impacts on sick leave payout upon retirement. She expressed concern over the exposure to the District if a person built up their sick leave and then cashed it out upon retirement.

Ms. Schinnerer expressed she could look into it to gather more details.

Chair McPherson inquired what the current cost was, and what the change would involve in terms of cost.

GM York expressed staff could look at the current list of employees to show the highest, lowest and an average of employee sick leave accrual.

Discussion ensued on vacation and sick leave buyout.

Chair McPherson requested for the other Directors to be given a copy of the reports in the packet so they were up to speed and expressed that they should address the benefits one by one. She stated she was unsure about exactly what to do about the Cash in Lieu benefits, noting she wanted to do something.

Director Thomas expressed that he was not exactly sure what to do with the cap amount either, but he was thinking around \$250, and allowing a ramp up period.

Chair McPherson clarified that her recommendation was to cap the cash in lieu at \$300 effective January 2022, and make it effective with all new hires. She expressed that the Board would need to decide on what option to go with. She also recommended to cap vacation accrual at 400 hours max. She expressed that the Committee needed to look further into the sick leave item.

Director Thomas expressed that he was interested in easing into the changes, noting that he was interested in giving staff time to adjust and that January might be too soon. He added that he was interested in what the other Directors thoughts were on all the topics.

The Committee agreed that there should be input from all Directors.

The Committee agreed to bring a recommendation to the full Board at capping the vacation hours at 400 hours.

Discussion ensued over selecting one of the two options and making a recommendation to the Board. The Committee did not agree on a selection, as further discussion was needed.

The Committee recommended that the Board choose option one or two at the May regular Board meeting.

Mr. Eubanks recommended to eliminate committees, as all items go to the Board for discussion anyway.

Chair McPherson expressed there was a lot of information to digest.

Adjournment

Chair McPherson adjourned the meeting at 5:16 p.m.

Dan York
General Manager/Secretary
Sacramento Suburban Water District

DRAFT



Agenda Item: 2

Date: June 16, 2021

Subject: Employee Handbook Review

Staff Contact: Dan York, General Manager
Josh Horowitz, District Counsel

Recommended Committee Action:

1. Agree with the timeline to complete the Employee Handbook update by December 31, 2021.
2. Complete the process of updating the Employee Handbook before addressing any changes to the content of the Employee Handbook.

Summary:

To enhance Board oversight and fiscal transparency in the District's compensation and benefits programs, as well to identify which sections of the Employee Handbook remain under the General Manager's purview, at the May 17, 2021 regular Board meeting, the Board directed staff to extract the appropriate District employee compensation and benefit program provisions from the Employee Handbook and place those items in a separate policy or other document that would permit a more direct and regular role for the Board in setting compensation and benefits policy and expenditures consistent with its role in budgeting for and overseeing the District's personnel system.

Discussion:

Although the Board approves employee compensation and benefits programs through the annual budgeting process consistent with its Budget Policy (PL-Fin 012) and Employee Compensation Policy (PL-HR 002), there currently is no mechanism under which the Board regularly reviews the terms and conditions of employee compensation and benefits programs. While Directors may review the Employee Handbook at any time, the Employee Handbook is not regularly reviewed by the Board because it is considered a management procedure document which falls under the General Manager's purview under the Water Code section 30580. The discussion of extracting certain compensation and benefits program provisions from the Employee Handbook comes at an opportune moment because the handbook is due for review and updates.

Because of its size and detail, the upcoming review of the Employee Handbook will require a significant investment of staff and counsel time. The plan is to develop the draft documents and present them to the Employee Benefits Ad Hoc Committee and then to the full Board for their review, which will add an additional increment of time and cost to the Employee Handbook update process. Thus, staff and legal counsel is estimating completion of the Employee Handbook by December 31, 2021.

Employee Handbook:

A comprehensive Employee Handbook is a managerial necessity in any organization. They exist so that employers can effectively manage their workplace. Distribution of the Employee Handbook ensures that employees are aware of their responsibilities, benefits, employer expectations and are able to perform their job duties effectively. They help maintain a professional environment by documenting the employer's expectations of the entire workforce and serve as an important resource for employees to understand their rights and obligations and terms of their pay and benefits. The District distributes the Employee Handbook to all new hires on their first day of employment and all employees are required to read the manual and refer to it throughout the term of their employment with the District.

The majority of the information conveyed in an Employee Handbook is managerial or operational in nature, but state law requires board approval for salaries and some benefits. Under California Water Code section 30580, part of the County Water District Law under which the District operates, the General Manager generally is authorized to operate and administer the District's personnel system. But in the area of compensation and benefits, the General Manager's authority to "fix and alter the compensation of employees and assistants" is "subject to approval by the board." Under the County Water District Law, the Board also reviews and approves the annual budget and also has the authority to determine and approve any District pension and other health and welfare programs. The General Manager is responsible for operating the District personnel system as established by the Board and for supervising the District's finances within the confines of the Board-approved budget and financial policies. Outside of setting base salaries and benefits, it is important that the General Manager have the ability to promptly update the manual as needed to respond to changing business environments and needs.



Agenda Item: 3

Date: June 16, 2021

Subject: Employee Handbook Review – Sick Leave

Staff Contact: Susan Schinnerer, Human Resources Administrator

Recommended Committee Action:

Either:

1. Do nothing until the Employee Handbook update is complete, or,
2. Make the following changes to the Employee Handbook regarding sick leave as follows:
 - Remove the cap of 240 sick leave hours for District employees under 55 (allow “unlimited” sick leave for all employees) effective December 31, 2021.
 - Upon retirement, the District will continue to offer employees payment for accrued unused sick leave, additional CalPERS service year credit.

Discussion:

As part of the District’s efforts to remain competitive and comparable within the current job market and as a part of an update to the Employee Handbook, District staff analyzed various leave and benefit information and presented such to the Benefits Committee at the May 3, 2021 meeting. At that meeting, the Committee directed staff to follow up on the District’s sick leave and provide further information.

Based on Board’s direction to update the Employee Handbook, staff is recommending option 1 above, do nothing until the Employee Handbook update is complete. This would allow staff to identify the sections of the Employee Handbook that should remain under the General Manager’s purview, and identify sections, such as employee compensation and benefit programs, that should be extracted and placed in a separate policy or other document.

However, if the Committee would like to continue forward with making changes, staff would recommend option 2 above.

The Employee Handbook currently states that District employees 55 and over may accrue unlimited sick leave, though they can cash out any amount of accumulated sick leave exceeding 240 hours at ½ their current rate of pay once per year in December. Employees under age 55 are allowed a maximum of 240 sick leave hours, and are paid out once per year in December at ½ their rate of pay for hours in excess of 240. The District does not pay out sick leave at separation. However, the District does pay out sick leave at retirement. If the Committee selected option 2, the staff recommendation would be to remove the cap of 240 sick leave hours for District employees under 55 (allow “unlimited” sick leave for all employees) effective December 31,

2021. Upon retirement, the District will continue to offer employees payment for accrued unused sick leave, additional CalPERS service year credit.

District staff surveyed comparable agencies and found that they allow unlimited accrual of sick leave without age restrictions – the District is the only agency that currently has an age requirement for accruing unlimited sick leave. In addition, the agencies who do have a sick leave hour maximum accrual have a higher maximum allowed than the District's 240 hours. Some agencies allow but limit the amount of hours that the employee can cash out during active employment, but almost all, the District included, preclude cash outs at separation. Only one agency provides a cash payout of sick leave upon separation, which is paid on a scale based on years of service.

In addition, most agencies, including the District, do allow sick leave hours to convert to service credit in retirement per their contracts with CalPERS.

Summary:

If the Committee elects to make changes at this time, the General Manager will make the following changes to the Employee Handbook:

- 1) Remove the cap of 240 sick leave hours for District employees under 55 (allow “unlimited” sick leave for all employees).
- 2) Due to the removal of the cap for sick leave hours, there will be no payout necessary for the cashing out of sick leave balances above the allowed amount.
- 3) Upon retirement, the District will continue to offer employees payment for accrued unused sick leave, additional CalPERS service year credit, or have any or all of the payment amount added to a designated deferred compensation plan provided through the District. In addition, employees may not “run out” or “run down” accrued sick leave balances to remain off work but in a paid status until their retirement date.

Attachments:

1 – Sick Leave Comparison 2021

2 – Employee Handbook Section D. Sick Leave (excerpt)

Sick Leave (SL) Comparison 2021
Attachment 1

AGENCY	Sick Lave Annual Accrual (days/year)	Sick Leave Max Accrual	Sick Leave Cash Out
Sacramento Suburban Water District	12	Unlimited accrual over age 55. Mandatory buy out over 240 hours for employees under 55.	Retirement: District pays EE for all unused SL at rate of pay OR credit to PERS OR deferred comp. Separation: No cash value. Payout: 55 + can cash out SL exceeding 240 hours at 1/2 of current rate of pay in December if desired. Under 55 are paid out at 1/2 their rate of pay for SL exceeding 240 hours in December or have option to add hours to deferred comp plan.
Carmichael WD	12	Unlimited	
Citrus Heights WD	12	Unlimited	
City of Davis	12	Unlimited	Retirement: SL converted to service credit to PERS. Separation: No cash value.
City of Folsom	Included in Annual Leave Bank for use as vacation or sick leave	Unlimited except for Public Safety - caps at 400	Retirement: SL converted to service credit to PERS. Separation: No cash value. Payout: Up to 40 hours of annual leave can be cashed out each year for non-shift personnel.
City of Roseville	12	Unlimited	Retirement: SL cashed out or credited to PERS at percentages based on length of service. Separation/Payout: No cash value.

Sick Leave (SL) Comparison 2021
Attachment 1

AGENCY	Sick Lave Annual Acrual (days/year)	Sick Leave Max Accrual	Sick Leave Cash Out
City of Sacramento	12	480	<p>Retirement/Separation for PERS members hired prior to 1/1/2005 with more than 20 YOS: May receive payment for 33 1/3 of total SL credits OR PERS credit. Retirement for EEs hired after 1/1/2005: Convert SL balance to service credit. Separation: No cash value. Payout: Cash payment of up to 25% of unused SL from prior year provided 60 SL days remain in bank after payment.</p>
City of West Sac	12	Unlimited	<p>Retirement, layoff or death: Up to 50% payoff of hours at separation rate with remaining hours to service credit OR 100% of hours as service credit. Separation/Payout: None.</p>
City of Woodland	12	Unlimited	<p>Retirement: Converted to PERS credit. Separation: No cash value.</p>
El Dorado Irrigation District	<p><i>First 3 years: 160 hours. 4-9 years: 200. 10-14 years: 240. 15 or more years: 280</i></p>	PTO - 280 in Bank A; unlimited in Bank B.	<p>Retirement: Ability to convert all or some to PERS service credit. Separation: Bank A - considered vacation time and paid at base rate. Payout: None from Bank B.</p>

Sick Leave (SL) Comparison 2021
Attachment 1

AGENCY	Sick Lave Annual Accrual (days/year)	Sick Leave Max Accrual	Sick Leave Cash Out
Elk Grove WD	12 (categorized as PTO)	320	Retirement/Separation: Unused accrued PTO will be paid out. Payout allowed for all or part of PTO hours upon written approval of GM.
Fair Oaks WD	10	Unlimited	
Placer County Water Agency	12	Unlimited	<p>Retirement: Allows cash out, time credit, and premiums for health/accident insurance for EE paid for each day of unused accrued SL or combination.</p> <p>Separation: EEs with more than 1 year of employment separating in good standing receive cash out at percentages based on years of service but are prohibited from re-employment within 90 days.</p> <p>Payout: No payouts, but EEs may "buy back" leave time used during medical Leaves of Absence.</p>
Sacramento County	15	Unlimited	<p>Retirement: For management, cash value of one half of accrued SL. PERS service credit to all employees.</p> <p>Separation: No cash value. Payout: Sick Leave/Wellness Incentive - If employees use 12 hours or less of SL in a 6 month period, they receive 8 hours of PTO to be used in next 6 months.</p>
San Juan WD	12	480	Retirement/Separation Payout: EEs get payout at end of FY for any amounts over 480 at 50% of value of leave - with other 50% removed from bank to bring balance below 480 for new FY.

Sick Leave (SL) Comparison 2021
Attachment 1

AGENCY	Sick Lave Annual Acrual (days/year)	Sick Leave Max Accrual	Sick Leave Cash Out
Amador Water Agency	12	Unlimited	Retirement: SL Converted to PERS service credit upon retirement. Separation/Payout: No Cash value.
Stockton East WD	12	Unlimited	

D. Sick Leave

When an employee is absent from work, it affects everyone in his/her department and the District as a whole. Sick leave should be viewed as a form of insurance that is accumulated in order to minimize the economic hardships that may result from extraordinary, unexpected or emergency need to take time off, such as short-term illness or injury to an employee or a covered family member, which includes the employee's spouse, registered domestic partner, child/stepchild, parent/stepparent, sibling, grandparent and grandchild. Time off for medical and dental appointments will be treated as sick leave, and visits related to pregnancy, regardless of the employee's marital status, will also be allowed if medical verification is provided. Advance notice and approval of scheduled medical, dental, vision and related appointments is required to avoid work group calendar conflicts and coverage concerns. Sick leave is not intended to be used in lieu of vacation. The General Manager has discretion to approve or deny the use of sick leave.

Sick leave benefits for Introductory/Regular/Management employees accrue at the rate of twelve (12) days (or 96 hours) per year starting with the employee's first full pay period following his/her hire date. If an employee resigns or is terminated, all sick leave benefits are forfeited. Sick leave does not accrue after the first ninety (90) days of a Workers' Compensation leave and cannot be used for any sickness or injury sustained while an employee is on a leave of absence without pay.

It is the employee's responsibility to notify his/her immediate supervisor of a sick leave absence no later than fifteen (15) minutes before his/her regular start time. Sick leave used must be reported on timesheets in fifteen (15) minute (i.e., .25 hour) increments.

A medical verification from an employee's or immediate family member's health care provider confirming an office visit may be required by the District. For any sick leave absence exceeding three (3) consecutive work days (unless the employee is using protected sick leave/kin care as discussed below), the employee must provide a medical verification to his/her immediate supervisor. For extended illness or injury absences, a medical verification confirming the necessity of a continued absence will be required, and the employee may be required to submit a medical release and/or fitness for duty certification from the health care provider confirming s/he is able to return to work with or without restrictions. The District retains the right to require a medical verification for an employee's or immediate family member's claimed illness or injury at any time.

Employees may use up to six (6) days of protected sick leave/kin care per calendar year for the diagnosis, care or treatment of the employee's or a covered family member's existing health condition, or if the employee is a victim of domestic violence sexual assault or stalking. No medical verification will be required for protected sick leave/kin care. This leave shall be specified as "PSL/Kin Care" on the employee's time sheet.

Any use of unearned sick leave will be treated as unpaid leave. An employee must notify his/her immediate supervisor if s/he will not have sufficient accrued sick leave to cover an

absence, and his/her time sheet cannot show unearned sick leave as paid "Time Off" unless the General Manager or his/her designee has given advance written approval.

Up to three (3) days of sick leave may be used in addition to the amount allowed for bereavement leave.

In addition to leave provided to a female employee before and after the birth of her child, a male employee may use up to six (6) days of sick leave as kin care immediately following the birth of his child.

Employees who have reached age 55 will be allowed to accumulate unused sick leave without limit. Employees under age 55 will be paid once per year in December for all accumulated sick leave exceeding 240 hours at one-half (1/2) their current rate of pay, which specifically does not include any temporary pay upgrade for Working Out of Class/Temporary Special Assignments. The amount will be included in their regular paycheck prior to December 31st unless they provide written notification to the Finance Department by November 15th that the cash out amount is to be paid 1) by separate paycheck, or 2) into a designated deferred compensation plan provided through the District if the employee has determined that s/he has not yet reached the IRS maximum contribution limit (it is the employee's responsibility to make this determination and then instruct the District as to the amount to be deferred).

Employees who have reached age 55 may cash out any amount of accumulated sick leave exceeding 240 hours at one-half (1/2) their current rate of pay once per year in December. Employees wishing to do so must provide written notification to the Finance Department by November 15th and payment will be made prior to December 31st. Employees must indicate if the cash out amount is to be paid 1) in their regular paycheck, 2) by separate paycheck, or 3) into a designated deferred compensation plan provided through the District if the employee has determined that s/he has not yet reached the IRS maximum contribution limit (it is the employee's responsibility to make this determination and then instruct the District as to the amount to be deferred).

Upon retirement, the District will pay an employee for all accrued unused sick leave at the employee's rate of pay at the time of payment. An employee may instead choose to exchange unused sick leave for additional CalPERS service year credit at time of retirement or have any or all of the payout amount paid into a designated deferred compensation plan provided through the District if the employee has determined that s/he has not yet reached the IRS maximum contribution limit (it is the employee's responsibility to make this determination and then instruct the District as to the amount to be deferred).

If an employee is absent due to injury or illness covered under Workers' Compensation or Short-Term Disability insurance benefits, the employee may elect during such absence to apply accrued sick leave, and other accrued paid leave after sick leave is exhausted, on a pro-rated basis to such absence and receive compensation in an amount equal to the difference between the employee's regular pay and the amount received as Workers' Compensation or Short-Term Disability benefits. This coordination of benefits is required if the leave is designated as PDL or FMLA/CFRA leave.

Paid leave will continue to accrue during any period of Workers' Compensation or disability leave if an employee elects to coordinate paid leave and Workers' Compensation or disability benefits. Sick leave will not accrue after the first ninety (90) days of Worker's Compensation leave, or if the employee is not coordinating paid leave and disability benefits. Other paid leave will not accrue if the employee is not coordinating paid leave and Workers' Compensation or disability benefits. If an employee is on Workers' Compensation leave, there will be no loss of time or pay, and accrued sick leave will not be charged, for the day the injury occurred.