SANITARY DISTRICT NO. 5 of MARIN COUNTY

EMPLOYEE BENEFITS PLAN FOR UNREPRESENTED EMPLOYEES

EFFECTIVE JULY 1, 2026

TABLE OF CONTENTS Page

EMPLOYEE BENEFITS PLAN FOR UNREPRESENTED EMPLOYEES

This document summarizes the benefits for individuals employed in full-time classifications at Sanitary District No. 5 of Marin County ("District") that are not represented by recognized employee organizations, and applies to the following exempt classifications:

Administrative Services Manager (steps 31-35)

WWTP Operations Superintendent (steps 33-37)

WWTP Maintenance & Collections System Superintendent (32-36)

Administrative Assistant/ Board Secretary (steps 18-22)

These benefits apply to full-time employees in these classifications unless otherwise superseded by an employment agreement that is approved by the District Board of Directors. Employees covered by the Plan will also be eligible for any additional benefits approved by the Board of Directors that apply to their classifications. All employees covered by this benefits plan are "at-will" employees unless otherwise specified in an employment agreement or other legislative action of the Board of Directors.

Section 1. Dental Benefits

The District shall make a dental benefit available to employees covered by this Benefits Plan. The actual dental plan and terms of coverage shall be determined by the District. For any employee desiring coverage under this dental benefit, the District shall contribute the current rate for the employee and eligible dependents portion per month toward the benefit. Any cost for the dental benefit that is not paid by the District will be paid by the employee through the employee's Section 125 Cafeteria Plan and/or payroll deduction.

Section 2. Vision Insurance Benefits

The District shall make a vision benefit available for employees covered by this Benefits Plan. The actual vision plan and terms of coverage shall be determined by the District. For any employee desiring coverage under this vision benefit, the District shall contribute the current rate for the employee and eligible dependents portion per month toward the benefit. Any cost for the vision benefit that is not paid by the District will be paid by the employee through the employee's Section 125 Cafeteria Plan and/or payroll deduction.

Section 3. Life Insurance Benefits

The District shall provide a Basic Life and Accidental Death and Dismemberment Insurance plan in the amount of $50,000.

Section 4. Health Benefits

The District provides health coverage through CalPERS. The District's contribution toward medical insurance will be the minimum contribution level established by CalPERS pursuant to Government Code 22892. Any remaining premium amount shall be paid by the employee either through the Section 125 Cafeteria Plan described below, through payroll deductions, or a combination thereof.

The District has established a cafeteria benefit plan in accordance with Section 125 of the Internal Revenue Code, allowing employees to use pre-tax compensation for medical, dependent medical, employee dental, dependent dental, employee vision, dependent vision, eligible uninsured medical expenses, or a combination thereof.

In addition to the minimum contribution amount established annually by CalPERS for medical benefits, the District shall contribute an additional amount to an employee's cafeteria plan. The amount contributed to the cafeteria plan in combination with the medical contribution shall equal the amounts listed below, based on the level of medical plan enrollment, to each active employee's Section 125 Plan account.

The District will cover 100% of the cost for Kaiser Basic plus administrative fees and Contingency Reserve Fund assessments, minus employer PEMHCA contribution for employee only, employee plus one, and employee plus one, two, or more plans.

The District will also cover 100% of the cost of District offered dental and vision plans for employee and eligible dependents.

Any cost for the plan not paid by the District will be paid by the employee through the Section 125 Cafeteria Plan and/or payroll deductions.

Eligible employees who are covered by health insurance through their spouse or other source with benefits comparable to those provided through District sponsored plans may waive coverage under the District sponsored Plans. The employee shall sign a waiver form provided by the District. The employee must understand that re-enrollment is subject to any provisions of the medical plan. Procedures for the administration of the Section 125 Plan shall be determined by the District.

4.2 (d) Opt-out

Eligible employees who are covered by health insurance through their spouse or other group health plan may waive coverage under the District sponsored Plans and receive a in lieu of cash benefit of employee only Kaiser Bay Area health plan rate The employee shall sign a waiver form provided by management and provide proof of coverage in another group health plan, Employees receiving the health insurance waiver benefit must notify the Human Resources Department if they cease to be covered by any other medical plan, thereby making them ineligible for the health insurance waiver benefit. The employee must understand that re-enrollment in the District sponsored CalPERS Plan is subject to the limitations/exclusions/time period instituted by CalPERS. Employees are eligible to re-enroll during the CalPERS open enrollment period.

4.3 Employee Health and Wellness Program

A total of $600 is available for reimbursement for the fiscal year per participating employee for health and wellness reimbursements approved under CSRMA's (District Workers Comp Insurance Program) Health and Wellness Program.

Section 5. Short Term and Long Term Disability Insurance Benefits

The District shall provide each employee with Long Term Disability Insurance ("LTD"). The District shall contribute for each employee the sum necessary per month to cover the entire premium cost of a long-term disability insurance policy selected by the District.

Effective [7/1/2026], short term disability insurance is available to employees through SDRMA.

Section 6. Retirement Benefits

6.1 CalPERS Pension

The District shall continue to contract with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits for eligible employees as described in this Section.

6.2 Tier One: "2.7% at 55" Retirement Benefit Formula – Employees Hired On or Before December 30, 2012

This Section 6.2, including subsections, shall apply to employees hired on or before December 30, 2012.

6.2.1 "2.7% at 55" Pension Benefit Formula

The "2.7% at 55" pension benefit formula will be available to employees covered by this Section 9.2.

6.2.2 Final Compensation Based On 12-Month Period

For purposes of determining a pension benefit, final compensation for employees covered by this Section 9.2 shall mean the highest twelve (12) consecutive month period as specified in Government Code Section 21362.2.

6.3 <u>Tier Two: "2% @ 60" Retirement Formula Benefit – Employees Hired After December 30, 2012 and Employees Qualified for Reciprocity (Classic Member)</u>

This Section 6.3, including subsections, shall apply to employees hired after December 30, 2012 and employees hired on or after January 1, 2013 who are qualified for pension reciprocity as stated in Government Code Section 7522.02(c) and related CalPERS reciprocity (Classic Member) requirements.

6.3.1. <u>"2% @ 60" Pension Formula</u>

The "2% at 60" pension benefit formula will be available to employees covered by this Section 9.3.

6.3.2 <u>Final Compensation Based On 36-Months</u>

For the purposes of determining a retirement benefit, final compensation for employees covered by this Section 9.3 shall mean the highest annual average pensionable compensation earned during a period of thirty-six (36) consecutive months of service.

6.4 <u>Tier One and Tier Two Employees:</u> <u>Employer Paid Member Contribution and</u> <u>Pension Cost-Sharing</u>

Under the Public Employees' Retirement Law, two types of contributions are required to fund the District's PERS benefits: (1) member (employee) contributions and (2) employer contributions. Employee and employer contributions are stated as a percentage of pensionable compensation.

Member contributions for District employees are set by statute: 8% for Tier One employees ("2.7% at 55" retirement benefit formula) and 7% for Tier Two employees ("2% at 60" retirement benefit formula.) The District's contribution rates are set by CalPERS.

Government Code Section 20691 permits an employer to pay all or a portion of the member (employee) contributions for employees hired on or before December 31, 2012. ("Employer paid member contribution" or "EMPC")

Government Code Section 20516 permits employees to share a portion of their employer's pension cost. ("Pension cost-sharing")

6.4.1 For Tier One and Tier Two employees subject to Sections 6.2 or 6.3 above, the District shall pay the member (employee) contribution ("employer paid member contribution," or "EPMC") and the employees shall pension cost-share as follows:

The District shall pay the full member contribution, and the employee shall pay, through payroll deduction, 8% of PERSable compensation as permitted by Government Code Section 20516(f).

6.4.2 Implementation of Internal Revenue Code Section 414(h)(2)

All EPMCs for employees are reported to CalPERS as compensation in accordance with Government Code Section 20636(c)(4). The District shall continue to implement Internal Revenue Code Section 414 (h)(2).

6.5 Tier Three: PEPRA Retirement Tier Required For Employees Hired On or After January 1, 2013 and Not Qualified For Reciprocity (Not A Classic Member)

This Section 6.5 including subsections shall apply to employees who were hired on or after January 1, 2013, and who do not qualify for pension reciprocity (not a Classic Member) as stated in Government Code Section 7522.02(c) of the Public Employees' Pension Reform Act ("PEPRA").

6.5.1 2% at 62 Pension Formula

The "2% @ 62" retirement program as described in Government Code Section 7522.20 will be available to employees covered by this Section 6.5.

6.5.2 Final Compensation Based On 36-Months

Effective January 1, 2013, for the purposes of determining a retirement benefit, final compensation for employees covered by this Section 6.5 shall mean the highest average annual pensionable compensation earned during a period of thirty-six (36) consecutive months of service.

6.5.3 Required Employee (Member) Contributions

January 1, 2013, bargaining unit members covered by this Section 6.5 shall pay, through payroll deduction, fifty percent (50%) of normal costs as determined by CalPERS.

6.6 Other Options Included In CalPERS Contract

Subject to CalPERS rules and regulations, employees shall be eligible for other options included in the District's contract with CalPERS:

(a) Sick leave credit

(b) Non-Industrial Disability

(c) Optional Settlement 2W Pre-Retirement Death Benefit

(d) $500 lump sum post-retirement death benefit

(e) 2% COLA

(f) Full formula plus social security

(g) Military service credit as public service

6.7 For employees who utilize the District's CalPERS 457 Plan, the District will match the employee's deferred compensation contribution up to 3.5% of employee salary per employee per calendar year.

Section 7. Retiree Health Benefits

7.1 Pursuant to Resolution Nos. 2000-12, 2000-13 and 2002-09, eligible employees hired prior to November 18, 2012 are entitled to the following additional retiree medical benefits:

(a). Eligible retired employees hired by the District before September 1, 2000

To be eligible for benefits under this subsection upon retirement, the annuitant must have been a full-time District employee for a minimum of five continuous years (which must be immediately preceding retirement for eligible retired employees hired by the District before September 1, 2000), must be at least 55 years of age and must retire from the District with PERS retirement. Any additional PERS requirements will also apply. The District shall contribute to the annuitant's HRA or similar funding mechanism the amount necessary to pay the cost of the enrollment of the annuitant, including the enrollment of his or her eligible dependents, in a health benefit plan, up to a maximum of the Kaiser basic/supplemental rates per month plus administrative fees and Contingency Reserve Fund assessment, minus the minimum PEMHCA contribution made by the District on the retiree's behalf.

(b) Eligible retired employees hired by the District between September 1, 2000-November 18, 2012

To be eligible for benefits under this subsection, the annuitant must have been a full-time District employee for a minimum of five continuous years, must be at least 55 years of age and must retire from the District with PERS retirement. Any additional PERS requirements will also apply. The District shall contribute to the annuitant's HRA or similar funding mechanism the amount necessary to pay the full cost of the annuitant's enrollment, including the enrollment of his or her eligible dependents, in a health benefits plan or plans up to a maximum of one hundred percent (100%) of the weighted average of the health benefits plan premiums for employees or annuitants enrolled for self alone plus ninety percent (90%) of the weighted average of the additional premiums required for enrollment of his or her eligible dependents in the four (4) health benefits plans which have the largest number of enrollments during the year to which the formula is applied plus administrative fees and Contingency Reserve Fund assessment, but not more than one hundred percent (100%) of premium applicable to him or her.

(c)

Eligible Retired Employees Hired after January 1 ,2013 (PEPRA)

i. This provision applies only to employees who are members of the California Public Employees' Retirement System (CalPERS) under the Public Employees' Pension Reform Act of 2013 (PEPRA), and who retire from the District directly from active service with CalPERS. To be eligible for retiree medical coverage, an employee must:
    1. Have a minimum of ten (10) years of continuous full-time service with the District immediately preceding retirement; and
    2. Must be 62 years of age; and
    3. Be eligible to receive a CalPERS service retirement at the time of separation from District employment.

ii. District Contribution Toward Retiree Medical Premiums

The District shall contribute the minimum employer contribution as required annually under PEMHCA for all eligible PEPRA retirees toward the retiree's CalPERS medical insurance premium under the Public Employees' Medical and Hospital Care Act (PEMHCA) but no more than the following:

Years of District Service Completed	District Contribution Toward Premium
10 – 14 years	50% of the CalPERS premium (employee only)
15 – 19 years	75% of the CalPERS premium (employee only)
20+ years	100% of the CalPERS premium (employee only)

iii. Coverage for Dependents

Retirees may elect to enroll eligible dependents in a CalPERS medical plan at their own expense. The District contribution specified above applies to the retiree only.

iv. Coordination with Other Benefits

Retiree medical coverage shall be coordinated with Medicare as required by CalPERS and applicable law. Upon reaching Medicare eligibility, retirees must enroll in the appropriate Medicare-coordinated CalPERS plan.

v. Grandfathering and Limitations

This provision applies only to PEPRA members first hired on or after January 1, 2013, who are not covered under any prior retiree medical benefit arrangement. Employees hired prior to that date remain subject to the retiree medical provisions, if any, in effect at their date of hire.

Section 8. Holidays

Regular full-time employees shall be eligible for six (6) paid holidays per calendar year according to the shift designated below and floating holiday hours according to same shift designation per calendar year, as shown below.

REGULAR HOLIDAYS	8hr Shift	9/80	4/10	12's
New Year's Day	8hrs	9hrs	10hrs	12hrs
Memorial Day	8hrs	9hrs	10hrs	12hrs

Independence Day	8hrs	9hrs	10hrs	12hrs
Thanksgiving Day	8hrs	9hrs	10hrs	12hrs
Day after Thanksgiving Day	8hrs	9hrs	10hrs	12hrs
Christmas Day Three	8hrs	9hrs	10hrs	12hrs
Floating Holiday Hours	72hrs	66hrs	60hrs	48hrs

Requests to schedule floating holidays shall be presented to the employee's Manager, and are subject to rescheduling based on the needs of the District.

When a holiday falls on a full-time employee's regularly scheduled day off, the employee shall receive eight (8) hours of additional time, or nine (9) hours for employees assigned to 9-80 workweeks, or ten (10) hours for employees assigned to a 4-10 weekly schedule or twelve (12) hours for employees assigned to 12hr shift schedule, at a time determined by agreement between the District Manager and the employee. Such time off earned must be taken within six (6) months of the holiday as scheduled with the District Manager; provided, however, that with the approval of the District Manager the time limit may be extended.

Section 9. Vacation

Regular full-time employees are eligible to accrue paid vacation from the first day of employment. Vacation accrual is calculated in hourly increments per pay period as shown below:

Years of Service (Completed)	Maximum Possible Annual Accrual (hours)	Per Pay Period Accrual (hours)
0 - 3 years (1-36 months)	80 hours	3.333 hours
4-7 years 36 -84 months	120 hours	5 hours
8-15 years (84- 180 months)	160 hours	6.666 hours
16-24 years 180-288 months)	180 hours	7.5 hours
25+ years (288 months -retirement)	200 hours	8.333 hours

The District encourages employees to annually take their vacation leave. An employee may defer vacation leave up to a limit of four hundred (400) hours. Upon accruing the maximum number of vacation hours, the employee will cease to accrue vacation until the employee's unused vacation accrual is reduced below the cap.

Employees may sell back up to 120 hours of vacation per calendar year. Employees with an unforeseen financial emergency may address the District Manager in writing explaining the financial burden and requesting permission to sell back additional accrued vacation hours. The District Manager will review all requests on a case by case basis. The District Manager has the right to deny the employee request with no right of appeal.

Section 10. Sick Leave

Regular full-time employees shall accrue sick leave at the rate of one hundred twenty (120) hours per fiscal year. Sick leave may be granted because of illness, injury, exposure to contagious disease, illness or injury of a member of the employee's immediate family requiring the employee's attendance, and medical, dental and optical appointments to the extent that such appointments cannot be scheduled outside the work day.

An employee's immediate family shall consist of the employee's: spouse; domestic partner; children; step-children; or the mother, father, brother, sister, grandchildren or grandparents of the employee, spouse, or domestic partner; or other members of the employee's family residing in the employee's home; or other members of the employee's family primarily dependent upon the employee.

An employee may be granted sick leave only in case of actual sickness as defined above. In the event that an employee or a member of the employee's immediate family recovers from any such sickness after being granted sick leave, and during the regularly scheduled hours of work, then such employee shall notify the appropriate supervisor and be available to return to duty. Sick leave may not be used before it is earned. In no event shall sick leave be converted into a cash bonus.

Excessive use of sick leave, tardiness, and failing to use the call-in procedures when absent or tardy can negatively impact job performance and affect others in the performance of their jobs. Factors that will be considered in determining whether use of sick leave is excessive include, but are not limited to, the number of absences compared to other employees, whether absenteeism is limited to a finite time period or whether it continues over time, the basis for the absenteeism and the significance of the impact on the performance of the employee or of others.

In order to receive compensation when absent on sick leave, the employee shall notify the employee's supervisor at least four (4) hours prior to the time set for beginning the employee's duties, unless the employee is prevented from doing so by an emergency. Employees assigned to work the day shift shall provide notice to the employee's supervisor as soon as reasonably possible.

The District may require a physician's certification at any time regarding the sickness or injury of the employee or their immediate family member and the date of the employee's intended return to work.

An employee may use up to sixteen (16) hours of accrued sick leave for personal emergencies with the approval of their supervisor and the District Manager.

Section 11. Salaries

Pay Scale

Effective July 1, 2026, employees shall receive an annual Cost of Living Allowance ("COLA") increase based on the San Francisco-Oakland-San Jose Consumer Price Index for all Urban Consumers ("CPI") using the CPI annual average for the calendar year immediately preceding the commencement of the District's fiscal year with a minimum and maximum set by the terms below:

July 1, 2026 – 2.5min-3.5%
July 1, 2027 – 2.5% min - 3.5% max
July 1, 2028- 2.5% min – 3.5%max
July 1, 2029- 2.5% min – 3.5% max
July 1, 2030 2.5% min- 3.5% max
July 1, 2031 2.5%min- 3.5% max

If the CPI is between 4.5%-5.0% during any of these fiscal years, an additional one-time 1% COLA equity adjustment will be added to the COLA. If the CPI is above 5%, this section will be reopened to meet and confer over salary.

Section 12 Administrative Leave

Unrepresented employees will receive 80hrs of Administrative Leave per calendar year. Unused Administrative Leave hours will not carry over to the next calendar year.

Section 13 Residency and Emergency Response Stipend

Due to the nature of the job duties for the WWTP Operations Superintendent and WWTP Maintenance and Collections System Superintendent, which requires close proximity to the District's facilities, the WWTP Operations Superintendent and WWTP Maintenance and Collections System Superintendent are required to maintain a permanent residence within a 60 minute automobile drive of the District's facilities during non-commute hours.

The WWTP Operations Superintendent and WWTP Maintenance and Collections System Superintendent are entitled to an Emergency Response Stipend of $500/month as a benefit for being a Stand-by Emergency Response Employee

Section 14 Vehicle Allowance

Vehicle Allowance- Employee's who are required to use their personal vehicle in the execution of their job duties after regular work hours shall be receive $500/month for a vehicle allowance. The employee is responsible for all expenses associated with their personal vehicle.

Section 15 Other Benefits

Unrepresented employees shall be entitled to leaves and other benefits set forth in the District's Personnel Policies and Memorandum of Understanding that are not consistent with this benefits plan, and any other applicable benefits conferred in the future upon employees represented by the Employees of Sanitary District No. 5 of Marin County.

Unrepresented employees who are promoted from represented positions into unrepresented positions may request to return to their former position. The General Manager shall make every effort to approve such a request. Employees who return to their former position shall receive the top step of the approved salary step range.