

**EMPLOYMENT TERMS**

**FOR THE**

**GREAT LAKES WATER AUTHORITY**

*This ET only applies to GLWA employees in non-union job classifications.*

# Employment Terms

## TABLE OF CONTENTS

---

ARTICLE	PAGE
1. PURPOSE AND INTENT.....	3
2. GENERAL PROVISIONS .....	3
3. COMPLAINT PROCEDURE .....	4
4. DISCIPLINARY PROCEDURES .....	6
5. HEALTH AND SAFETY .....	6
6. LEAVES OF ABSENCE.....	6
7. SEVERABILITY CLAUSE.....	6
8. EMPLOYEE ASSISTANCE PROGRAM.....	6
9. UNEMPLOYMENT BENEFITS .....	7
10. PAID TIME OFF (PTO).....	7
11. FUNERAL LEAVE.....	12
12. WORK WEEK, WORK DAY, SHIFT PREMIUM.....	12
13. HOLIDAYS AND EXCUSED TIME OFF.....	13
14. JURY DUTY .....	15
15. HOSPITALIZATION, MEDICAL, DENTAL, VISION .....	15
16. WORKERS' COMPENSATION .....	16
17. SHORT-TERM AND LONG-TERM DISABILITY INSURANCE .....	17
18. LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT ..	17
19. WAGES .....	17
20. RETIREMENT .....	18
21. RETIREE HEALTH CARE SAVINGS PROGRAM .....	19
22. PRIVATE CAR MILEAGE REIMBURSEMENT .....	19
EXHIBIT I – HEALTH CARE PLAN DESIGN .....	20
EXHIBIT II – DENTAL PLAN .....	21
EXHIBIT III – OPTICAL PLAN.....	22
EXHIBIT IV – FLEXIBLE SPENDING PLAN.....	23
EXHIBIT V – EMPLOYEE COMPLAINT FORM .....	24
EXHIBIT VI – WAGES.....	25

## **EMPLOYMENT TERMS**

### **1. PURPOSE AND INTENT**

- A. These Employment Terms (“ET”) establish the terms and conditions of employment for non-union employees at the Great Lakes Water Authority (“GLWA” or “Great Lakes Water”). These Employment Terms shall be controlling for GLWA employees assigned to non-union job classifications, except for specific terms which are expressly modified in an individual contract signed by an employee and the CEO of GLWA.
- B. The purpose of this ET is to set forth wages, hours, terms and conditions of employment.
- C. To effectuate this purpose, this ET serves to establish employment relations and workplace processes and functions that serve the interest of the community and achieve the goal of customer service excellence for citizens, businesses and visitors of the GLWA service area.
- D. GLWA shall provide equality of opportunity, consideration, and treatment of all employees of GLWA. All Employees shall be treated without regard to race, color, creed, national origin, age, political affiliation, sex, sexual orientation, marital status, or disability in accordance with applicable State, Federal and local laws. GLWA shall comply with all other applicable State, Federal and local laws and regulations.
- E. An “Employee” is defined as any GLWA employee whose employment is subject to these Employment Terms.
- F. A “Full-time Employee” means a GLWA employee who works a minimum of forty (40) hours per week. Full-Time Employee includes Probationary Employees and Regular Status Employees.
- G. A “Part-time Employee” is an employee who is regularly scheduled to work less than forty (40) hours per week at GLWA.
- H. A “unit” is an operating department within Great Lakes Water.
- I. “Employer” is defined as the Great Lakes Water Authority.

### **2. GENERAL PROVISIONS**

The policies in this ET are intended solely as information for non-union employees of GLWA. The contents of this ET are not intended and should not be construed to constitute a contract between GLWA and any employee, or for the providing of any benefits described in this ET. In any situation in which insurance benefits are provided, the terms of the insurance policy are controlling, regardless of any statement contained in this ET.

Regardless of any statement in this ET or in any other document or statement issued by GLWA or any of its representatives, you have the right to terminate your employment at any time, for any reason, with or without cause, and with or without notice, and GLWA retains the same right.

Naturally, GLWA believes strongly in providing benefits described in this ET, however, conditions may change which GLWA believes warrant modifying or deleting these benefits. Therefore, GLWA reserves the right in its sole discretion to alter, modify, amend, or terminate any rule, regulations, policy or benefit referred to in this ET at any time with or without notice. GLWA welcomes constructive suggestions for improvements or changes in GLWA policies or benefits described in this ET. GLWA also welcomes suggestions from its employees to improve its operations or the work environment.

Employees must conform to the rules and regulations of GLWA.

No representative of GLWA has the authority to enter into any agreement for employment for any specified period of time or to make any agreement contrary to the contents of this ET, except the Chief Executive Officer (CEO) of GLWA. Any such agreement must be in writing, which is directed exclusively to the employee, signed by the CEO of GLWA and the employee, and must specifically refer to this ET.

It is the responsibility of each Employee to keep current on all updates in GLWA policy.

### **3. COMPLAINT PROCEDURE**

A. **DEFINITIONS:** A “Complaint” is a work-related difference between Great Lakes Water and the Employee which resulted in the Employee receiving a discharge, disciplinary suspension, other discipline, promotion or demotion.

A “unit” is an operating department within Great Lakes Water.

“Working days” as used in this Article shall be Monday through Friday and exclude Saturdays, Sundays and holidays.

B. **COMPLAINT PROCEDURE:** The Complaint procedure contained in this ET shall be the exclusive method for all non-probationary Employees for resolving work-related differences described in Section A and is as follows:

An Employee may request a representative to assist the Employee in processing the Employee’s Complaint. The Employee shall have the right to have his/her representative present during any or all portions of the Complaint process outlined below. When the presence of the representative is desired by the Employee, he/she shall make the request to the management representative responsible for that Step in the Complaint process, who shall, without undue delay, make the arrangements with the Employee to have the representative present. The Employee has the right to discuss the complaint with the representative prior to the discussion with the management representative responsible for that Step in the Complaint process. Provided that, except in exigent circumstances, such discussions take place during the Employee’s authorized breaks or before or after the shift.

### STEP 1: EMPLOYEE AND SUPERVISOR

Any Employee who believes that he/she has a Complaint, as defined in Section A of this Article, may discuss his/her Complaint with his/her immediate supervisor.

### STEP 2: UNIT HEAD LEVEL

Employee Complaints may be filed at this step initially. In addition, if the Complaint is not satisfactorily resolved at Step 1, it shall proceed to this Step 2 if the Complaint is in writing or the form attached as Exhibit 2, is signed by the complaining Employee, and is submitted to the Unit Head and to GLWA's Organizational Development Unit within ten (10) calendar days after the occurrence of the alleged violation which gave rise to the grievance.

The written Complaint shall state the nature of the Complaint, the date it occurred, the Employees involved, the discipline complained about, and the remedy requested. A Complaint number will be assigned to any Complaint received by Organizational Development. Within ten (10) working days following receipt of the Complaint, Organizational Development will schedule a meeting with the Unit Head and the Employee to review the Complaint. The Organizational Development unit will forward a written response to the Employee within ten (10) working days following the meeting.

### STEP 3: CEO LEVEL

If the Complaint is not satisfactorily resolved by Step 2, it may be appealed in writing to the CEO or his/her designated representative by the Employee within ten (10) working days of Organizational Development's decision and written response to the Employee. A meeting shall be held at a mutually agreeable time between the Employee, and representatives of Great Lakes Water. The meeting will be promptly arranged to take place within ten (10) working days of the appeal. The CEO or his/her designated representative will forward a written answer to the Employee within ten (10) working days following that meeting. The CEO's decision shall be considered final.

- C. **TIME LIMITS FOR ALL STEPS:** The Employee is responsible for meeting the time limits described in the Article to allow a Complaint to proceed through the Steps outlined in this Article.

If a Complaint is not scheduled or answered by GLWA within the prescribed time limits in this Article, the Complaint shall be automatically advanced to the next step of the Complaint procedure. The appeal will be considered timely if moved by the Employee to the next step within ten (10) calendar days of the date that GLWA was required to answer, or date that such answer was due.

An extension of the time limits of any of the Complaint Procedure steps may be granted only by mutual consent of the parties. Any Complaint not appealed by the Employee in writing to the next step within the specified time limit following receipt of GLWA's answer from the previous step shall be considered settled on the basis of GLWA's last answer.

#### **4. DISCIPLINARY PROCEDURES**

- A. **NOTIFICATION REQUIREMENTS:** Notification shall be given to the Employee of any disciplinary action taken against him/her which may result in any official entries being added to the Employee's personnel file. The Employee shall be given a copy of such official entry.

In all cases when a supervisor contemplates issuance of disciplinary action, the supervisor shall inform the Employee and allow the Employee the opportunity to meet with a member of the Organizational Development Unit.

- B. Should it be necessary to reprimand an Employee, GLWA will attempt to administer such reprimand so as not to unduly cause embarrassment to the Employee.

#### **5. HEALTH AND SAFETY**

Great Lakes Water recognizes its responsibility to provide safe and healthy working conditions, and the Employee has an obligation to cooperate in the maintenance and improvement of those conditions.

#### **6. LEAVES OF ABSENCE**

- A. **FAMILY AND MEDICAL LEAVE ACT OF 1993 (FMLA):** The GLWA's FMLA Policy is incorporated by reference as a part of this ET. The twelve-month FMLA eligibility period shall be defined as the twelve (12) months preceding the first day of the FMLA absence (i.e., the prior 12 months).

- B. **GLWA LEAVES OF ABSENCES:** Leaves for purposes covered under the FMLA may be extended, and leaves for other purposes may be granted, at GLWA's sole discretion pursuant to policies promulgated and modified by the Organizational Development Unit.

#### **7. SEVERABILITY CLAUSE**

If any Article or Section of this ET, or any Supplement thereto, should be held invalid by operation of Law or by any Tribunal of competent jurisdiction, or if compliance with or enforcement of any Article or Section should be restrained by such Tribunal, the remainder of this ET and Supplements shall not be affected thereby, and GLWA may implement a satisfactory replacement for such Article or Section.

#### **8. EMPLOYEE ASSISTANCE PROGRAM**

- A. GLWA recognizes and acknowledges that behavioral-medical problems have an adverse effect on the Employee's job performance and merits special attention. Examples of these problems include, but are not limited to, substance abuse, including alcohol and drugs, physical illness, mental or emotional illness, marital or family maladjustments and other personal problems. These behavior-medical problems impair the Employee's ability to function, and contribute to increased absenteeism and tardiness, and violations of other rules, regulations, and procedures. The combination of factors is recognized as having

potentially damaging effects on the Employee, the work site and the well-being of co-workers. The Employee Assistance Program is designed to provide assistance to Employees who are experiencing behavior-medical problems that may result in deteriorating job performance.

- B. The Employer may provide an Employee Assistance Program through a third party vendor.
- C. Nothing in this statement is to be interpreted as constituting any waiver of GLWA's responsibility to maintain discipline or the right to invoke disciplinary measures when applicable in the case of misconduct which may result from or be associated with the abuse of any substance or other personal problem; Employees may exercise their right to process grievances concerning such matters in accordance with the ET.
- D. During or following treatment, the Employee should not expect any special privileges or exemptions from standard personnel practices; however, Employees with substance abuse problems or personal problems will be allowed to use sick leave for the purpose of treatment or rehabilitation upon presentation of satisfactory medical evidence.
- E. When a leave of absence is necessary so that an Employee may undergo behavioral-medical treatment for alcoholism, drug abuse, or other personal problems in or from an appropriate facility in accordance with this program, and when the Employee has voluntarily submitted himself/herself for such treatment, he/she may be granted a leave of absence if the Employee has completed one (1) year of continuous service to GLWA immediately prior to the leave.

## **9. UNEMPLOYMENT BENEFITS**

Employees covered by this ET shall receive unemployment benefits in accordance with the unemployment insurance plan administered by the Michigan Unemployment Insurance Agency under the Michigan Employment Security Act.

## **10. PAID TIME OFF (PTO)**

- A. PURPOSE: The purpose of this policy is to describe GLWA's Paid Time Off system. Paid time off (PTO) provides all full-time employees with a single bank of paid time away from work that may be used for a variety of purposes to address the employee's needs and priorities including but not limited to: vacation, personal time, personal illness, or time off to care for dependents. PTO must be scheduled in advance, and have management approval, except: (1) unplanned illness or injury by the employee, or his/her dependent or spouse; (2) a situation designated as intermittent FMLA leave; or (3) a similar bona fide unforeseeable incident. The PTO policy takes the place of any previously provided time off including but not limited to: sick leave, personal time, department leave, comp time, swing holidays and vacation.
- B. CONTEXT: This Policy is intended to be read in conjunction with other GLWA Policies, including, but not limited to, those pertaining to leaves of absence, job performance and attendance.

C. **DEFINITIONS:** The following terms used within this Policy have the following definitions for purposes of this Policy:

FMLA means leaves authorized under the Family and Medical Leave Act.

Full-Time Employee means a GLWA employee who works a minimum of forty (40) hours per week. Full-Time Employee includes Probationary Employees and Regular Status Employees.

Exempt Employee means an employee who is paid on a salary basis and is not eligible for overtime.

Probationary Employee means a GLWA employee who has been hired within the last twelve (12) months and has not yet gained status as a Regular Status Employee.

Regular Status Employee means a GLWA employee who has successfully completed the probationary period.

Years of Service means, for (1) employees hired on or before January 1, 2016 who were active employees of DWSD at the time the offer of employment with GLWA was extended, the employee's combined service time between DWSD and GLWA and (2) all other employees means the employee's service with GLWA. Years of Service does not include unpaid leaves of absence with either organization.

D. **ELIGIBILITY:** All full-time Probationary and Regular Status Employees are eligible to use PTO after six (6) full months of service. PTO is earned on a monthly basis from the employee's date of hire and credited to an employee's PTO bank on the first day of the month following the month in which PTO was earned. Eligibility to earn PTO is contingent on an employee having either worked, received paid PTO, or some combination, for the entire month. PTO is not earned for months when unpaid FMLA or unpaid leave is taken, or when workers compensation, short- or long-term disability benefits are paid. PTO is not earned by temporary employees. Military leave shall be considered as time worked for PTO accrual time. PTO is earned on the following schedule:

<b>Years of Service (Includes Years of Service with DWSD for employees hired on or before 1-1-16)</b>	
Less than 1 Full Year	Pro-rated; credit given for each 3 months worked, up to a maximum of eighteen (18) days
1-9	19 days/year
10-14	22 days/year
15-19	24 days/year

20-24	26 days/year
25+	28 days/year

For the first accrual period only (January 1, 2016 through September 30, 2016), this scale shall be prorated at seventy-five (75%) percent of the annual credit. The second accrual period shall begin on October 1, 2016 and shall end on September 30, 2017. All subsequent accrual periods will begin on October 1 and end on September 30.

- E. PROCEDURES: PTO should be scheduled as early as possible in advance, and must have management approval. The use of PTO that is not scheduled and approved twenty-four (24) hours before the scheduled start time, as well as the use of PTO in excess of the amount that will be accrued in the calendar year, will be considered an unscheduled occurrence under GLWA’s Attendance, Tardiness and Absence Without Leave Policy. An unscheduled absence which is not an approved FMLA leave will also be considered an occurrence. Exempt employees shall take PTO in hourly increments. Time off taken in full weeks by exempt employees in excess of accrued PTO shall result in an occurrence.
  
- F. USE OF PTO FOR FAMILY/MEDICAL LEAVE: Employees absent for family/medical leave shall use PTO available for the calendar year, and the remainder will be unpaid, if the exempt employee is absent for a full week. However, an employee has the option to reserve up to forty (40) hours of PTO for later use. Employees who exhaust all FMLA and STD benefits and are unable to return to work may have their employment terminated at that time, in accordance with GLWA’s Leaves Policy.
  
- G. STD INSURANCE: All full-time employees will be eligible for GLWA-paid short-term disability coverage after six (6) months of continuous service. An employee has the option to use PTO instead of receiving STD benefits; however, PTO time shall be used during the waiting period until the employee is eligible for STD, unless the transition sick bank is available (see Transition Sick and Vacation Bank section) or the employee elects to reserve up to forty (40) hours of PTO for later use.
  
- H. UNSCHEDULED PAID TIME OFF: PTO can be requested if it is scheduled in accordance with the accrual schedule, or will be accrued prior to being used. Scheduling of PTO must be done in advance in accordance with GLWA policy and management approval. PTO that is not scheduled at least twenty-four (24) hours in advance of the employee’s scheduled start time or consistent with GLWA’s Attendance, Tardiness and Absence Without Leave Policy is considered to be an unscheduled occurrence. Consecutive days are counted as a single occurrence.

Unscheduled time off, except for approved intermittent FMLA leave, is addressed through the performance management and evaluation process as well as through progressive discipline according to the Attendance, Tardiness and Absence Without Leave Policy.

No discipline or occurrences shall be assessed for absences due to any military service.

- I. PAYMENT OF UNUSED PAID TIME OFF AFTER SEPTEMBER 30, 2016: Employees who have terminated employment voluntarily or who retire (except disability retirement) without a two-week notice and employees who are terminated for just cause are not entitled to payment for accrued, unused PTO.

All other employees who resign, retire or are laid off (unless a recall is anticipated) will be paid in a lump sum for all accrued, unused PTO at their final hourly rate. PTO will not be paid out while employed. It is expected that a terminating employee will work the entire time designated by his or her notice, at the convenience of GLWA, without using PTO.

- J. CARRY-OVER OF ACCRUED, UNUSED PTO COMMENCING OCTOBER 1, 2016: A maximum of eighty (80) hours of accrued, unused PTO shall be carried over to the next accrual period, effective September 30 of each year. The total number of hours carried over from previous accrual periods to the next accrual period can never exceed eighty (80).

Remaining accrued, unused PTO at the end of the accrual period, up to a maximum of eighty (80) hours, shall be converted to the retiree health savings program for the benefit of the employee at fifty percent (50%) of the value of PTO time at the employee’s base rate in effect on September 30 of that year. This payment shall not be considered compensation for purposes of calculating GLWA’s contribution to the defined contribution plan or the employee’s retiree health savings account.

Any PTO in excess of one hundred sixty (160) hours will be forfeited if it is unused by September 30 of each accrual period, unless extenuating business circumstances have prevented the employee from taking scheduled PTO. In such cases, PTO may be carried over and taken in the first half of the next accrual period with the approval of the unit head and the Organizational Development Unit.

As an example, assume Employee A has two hundred (200) hours of accrued, unused PTO on September 30, 2016:

Accrued Balance:	200 hours
Transferred to Employee’s PTO Bank for 10/1/16-9/30/17:	1 <sup>st</sup> 80 hours
50% of next 80 hours are Converted to Retiree Health Care Savings Program at the employee’s rate of pay on September 30, 2016:	2 <sup>nd</sup> 80 hours
Hours Forfeited:	Remaining balance above 160 Hours (40 hours)

- K. TRANSITION SICK AND VACATION BANKS

- 1. Employees not retired from the City of Detroit

*Sick Time*

All accrued sick time that current employees have earned at DWSD at the time of transition to GLWA and the new PTO Policy will be placed in individual transition sick banks for each employee. The hours accrued in the transition sick banks will be assumed by GLWA, with notice to eligible employees, and future deductions will be taken against the hourly balance established at that time.

This bank of time will be available to cover the STD waiting period if the employee's illness qualifies for STD benefits. The transition sick bank can also be used to bring STD or LTD benefits up to the one hundred percent (100%) level. Employees who have an extended illness must use PTO for the first four (4) work days and then must use their transition sick bank (as a supplement to STD benefits) if their illness qualifies for STD benefits. This bank of time cannot be used as compensation for absences that are ineligible for STD benefits, in lieu of STD benefits or for absences that extend beyond the scope of STD benefits. Employees who do not have transition sick bank may apply PTO to cover the STD waiting period. An employee's transition sick bank shall not be paid out upon termination of employment.

A transition sick bank shall not be available for individuals who were working under a personal services contract for DWSD when they were hired by GLWA.

#### *Vacation*

All accrued, unused vacation credited from service with DWSD shall be transferred when the employee begins employment with GLWA, unless the employee retires from the City of Detroit and is paid for the balance of that accrued, unused time. The transferred vacation hours shall be placed in a reserve vacation bank and may be used as vacation through September 30, 2016. A transition reserve vacation bank shall not be available for individuals who were working under a personal services contract for DWSD when they were hired by GLWA.

Effective October 1, 2016, the first eighty (80) hours of the employee's reserve vacation bank shall be transferred to the employee's PTO bank. If that transfer does not exhaust the employee's reserve vacation bank, the remaining hours up to eighty (80) hours in that bank shall be converted, at fifty percent (50%) of the value of that time, calculated based on the employee's hourly base wage in effect on September 30, 2016, to the retiree health savings program for the benefit of that employee.

If the employee has more than one hundred sixty (160) hours in his/her reserve vacation bank on September 30, 2016, that excess time shall be converted to a vacation liquidation bank, at the employee's hourly base wage in effect on September 30, 2016. That vacation liquidation bank shall be paid off, over a five (5) year period in equal increments or until the employee retires from GLWA, whichever comes first. This time shall not be considered as part of the employee's final average compensation from the City of Detroit's Retirement System. It also shall not be considered as compensation for purposes of calculating GLWA's contribution to the defined contribution plan or the employee's retiree health savings account.

#### 2. Employees retired from the City of Detroit

Employees who elect to receive a Normal Retirement from the City of Detroit prior to or at the time they are hired by GLWA shall be paid out the unused, accrued value of their vacation banks by DWSD, based upon their hourly wage rate at the time of retirement. Their sick leave banks shall be adjusted according to City of Detroit policy. These employees shall accrue PTO time at GLWA, beginning with a zero balance, based upon their length of service with the City of Detroit. As an example:

Employee A retires with thirty (30) years of City of Detroit service: Employee A is eligible to earn twenty-eight (28) PTO days per year, beginning on the first day of service with GLWA.

Employee B retires with ten (10) years of City of Detroit service: Employee B is eligible to earn twenty-two (22) days per year, beginning on the first day of service with GLWA.

Employees who elect to receive a Normal Retirement from the City of Detroit after they are hired by GLWA shall have their accrued, unused vacation and sick time credited as described in the preceding section.

## **11. FUNERAL LEAVE**

- A. If a death occurs among members of a Full-time Employee's immediate family, the Full-time Employee, provided he/she attends the funeral and submits documentation of such upon return to work, will be granted two (2) days leave not to be charged to sick leave. An Employee may take an additional three (3) days of funeral leave to be charged against current PTO leave upon his/her request.
- B. **DEFINITION OF IMMEDIATE FAMILY:** The immediate family is defined as wife, husband, son, daughter, brother, sister, father, mother, step-father, step-mother, step-son, step-daughter, grandmother, and grandfather.
- C. If a death occurs among the relatives of the Employee, the Employee will be granted one (1) day leave, not to be charged to PTO provided he/she attends the funeral and submits documentation of such upon return to work. If the funeral which the Employee attends is more than 300 miles from the Employee's residence, the Employee may extend the leave by two (2) days to be charged against current PTO upon his/her request.
- D. **DEFINITION OF RELATIVES:** Relatives are defined as grandson, granddaughter, brother-in-law, sister-in-law, uncle, aunt, mother-in-law, and father-in-law.

## **12. WORK WEEK, WORK DAY, SHIFT PREMIUM**

- A. **STANDARD SERVICE WEEK:**
  - 1. The standard service week for Full-time Employees shall consist of forty (40) hours of work as scheduled by the Employer within a payroll week. The standard payroll work week shall begin at 12:01 a.m. Monday, and end at 12:00 p.m. Sunday. In

accordance with the Management Rights Clause, GLWA reserves the right to determine, and change start and quit times, as well as modify Employee schedules.

2. Part-time Employees shall only work during periods authorized in advance by their supervisor.

Off days in the work week shall be scheduled consecutively unless such scheduling shall adversely affect or add cost to operations of GLWA.

**B. SERVICE DAY AND WORK DAY:**

A flex-time work schedule may be established in certain units where the appropriate working conditions exist.

- C. All Employees will be paid on a bi-weekly basis.

**13. HOLIDAYS AND EXCUSED TIME OFF**

- A. Full-time Employees shall be entitled to the following seven holidays: New Year's Day, Martin Luther King's Birthday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

- B. Full-time Employees shall receive eight (8) hours straight time pay for the above mentioned holidays. Where a holiday is concurrent with the Employee's sixth or seventh scheduled work day, the CEO shall have the option of paying for the holiday or granting equivalent time off with pay. When Great Lakes Water elects to give the Employee time off, said time shall be granted at the request of the Employee with the approval of the Unit head within the next full pay period.

- C. A Full-time Employee shall be eligible for holiday pay or excused time day pay provided he/she shall have received at least eight hours of pay exclusive of overtime or sick leave pay the workday before and after the holiday or excused time day; further provided that the Employee continues on the payroll through the holiday or excused time day in question and would otherwise be qualified for the holiday or excused time day.

For the purpose of this Section, a Full-time Employee shall be considered off the payroll if he/she is terminated, quits, is on a formal leave of absence granted by the Organizational Development Unit (generally over thirty days), is on workers' compensation or laid off.

- D. If a Full-time Employee is absent without approval on a holiday or excused time day on which he/she is scheduled to work, he/she shall receive no pay for the holiday.
- E. Straight time will be paid for all hours which are scheduled to be worked and worked by Full-time Employees who are considered "non-exempt" under the Fair Labor Standards Act (FLSA) on a holiday in addition to the straight time holiday pay due for a holiday as such.
- F. Premium payments shall not be duplicated for the same hours worked.

Full-time Employees shall be granted eight (8) hours of “excused time” on:

1. Good Friday or eight (8) hours on the last scheduled paid day prior to Good Friday;
2. Christmas Eve or the last scheduled paid day prior to Christmas Eve;
3. New Year’s Eve or the last scheduled day prior to New Year’s Eve;
4. Veterans’ Day; and
5. Day after Thanksgiving.

Employees who are considered “non-exempt” under the FLSA, who are scheduled to work, and who work any portion of the “excused time” on these days shall receive straight time for the Excused time day and straight time for all hours worked on that day, in lieu of any substitute time off. When an Employee is absent without approval for the non-excused portion of the day, he/she shall forfeit this excused time for the day.

Part-time Employees shall not be granted “excused time.”

- G. If a holiday or excused time day falls on Saturday, it shall be observed on the preceding Friday, and if a holiday or excused time day falls on Sunday, it shall be observed on the following Monday for all Employees except those assigned to six and seven day operations. Should two consecutive holidays or excused time days occur on a Friday and Saturday, or on a Sunday and Monday, then Friday and Monday respectively shall be designated as the official holidays or excused days.
- H. If a full-time Employee who is considered “non-exempt” under the FLSA, engaged in six or seven day operations works either the actual calendar holiday or the substitute holiday, he/she shall receive the holiday premium.
1. A full-time Employee assigned to a six or seven day operation may be scheduled off for the holiday on either the calendar holiday or the substitute holiday.
  2. If a full-time Employee is off sick on the calendar holiday, or the substitute holiday, or both, he/she shall receive holiday pay in lieu of sick pay on one of the two days. If he/she works either of the two days, he/she shall receive holiday premium.
  3. If a full-time Employee is AWOL on the actual calendar holiday, but works the substitute holiday, he/she shall not be entitled to holiday pay or holiday premium.
- I. Part-time Employees do not receive holiday pay, but may arrange to work, with management approval, an alternative day that week, if a holiday falls on a day they are normally scheduled to work.
- J. Great Lakes Water shall have the option to close all or part of its facilities for the Christmas and New Year’s holiday season consistent with operating needs and the public service.

Employees shall have the option of using any PTO benefit for any days off during this period of official closure. If a full-time Employee has no PTO time accrued, and wishes to work, Great Lakes Water will make every attempt to place an Employee on a job assignment consistent with his/her job classification and ability to perform the work.

The optional holiday season closing dates during the following period of these Employment Terms shall be:

December 27, 28, 29, 2016

December 26, 27, 28, 2017

December 26, 27, 28, 2018

Future optional holiday season closing dates shall be periodically announced by GLWA's management.

Any scheduled time off or uses of Great Lakes Water PTO days during these periods shall not be counted against the Employees' attendance records nor adversely affect their benefits.

#### **14. JURY DUTY**

- A. As provided in this Article, a Full-time Employee who serves on jury duty will receive his/her regular pay for all days he/she is required to serve on jury duty and the Employee must sign over the properly endorsed jury duty service check to Great Lakes Water upon receipt.
- B. In order to receive payment for jury duty a Full-time Employee must have been regularly scheduled to work on a non-overtime basis, must give reasonably prompt prior notice to his/her supervisor that he/she has been summoned for jury duty, and must furnish satisfactory evidence that he/she reported for or performed jury duty on the days for which he/she claims such payment.
- C. A Full-time Employee on jury duty will be continued on the payroll and be paid at his/her straight time hourly rate for his/her normally scheduled hours of work; however, jury duty time shall not be counted as time worked for the purpose of computing overtime upon return from jury duty.
- D. Part-time Employees shall not receive pay for jury duty, however, with prior approval of their supervisor, they may switch days they are scheduled to work in order to serve on a jury.

#### **15. HOSPITALIZATION, MEDICAL, DENTAL, VISION**

- A. During the term of this ET, Full-time Employees, who were active employees of DWSD when they received an offer of employment from GLWA, will be eligible beginning the first day of employment or as soon thereafter as practicable to participate in the group

medical, prescription drug, flexible spending, dental, and vision plans (“Medical Plans”) offered by Great Lakes Water (see Exhibits I-IV). Full-time Employees who were not active employees of DWSD when they received an offer of employment with GLWA shall be eligible for their benefits after thirty (30) calendar days of employment. The Medical Plan Design will remain in place during the term of this ET.

- B. Full-time Employees will be required to make monthly contributions for their benefits based upon the plan and coverage tier selected by the Employee. Monthly contributions will be deducted from Employee payroll disbursements on a pre-tax basis in accordance with applicable law.

Employees’ contributions under the Great Lakes Water Medical Plan will be adjusted annually to the level necessary to maintain an 80/20 proportional share of the cost of the medical coverage, subject to the terms, conditions and limitations set forth in this Article as may be amended from time-to-time. Under this cost sharing arrangement, Great Lakes Water will pay eighty percent (80%) of the costs of each coverage tier in the GLWA’s Medical Plans, and Employees participating in each coverage tier will pay twenty percent (20%) of the costs for such coverage tier.

- C. The failure of any insurance carrier(s) or plan administrator(s) to provide any benefit for which it has contracted or is obligated will not result in any liability to the City of Detroit or Great Lakes Water, nor will such failure be considered a breach by the City of Detroit or Great Lakes Water of any obligation undertaken under this ET or any other agreement. However, nothing in this ET will be construed to relieve any insurance carrier(s) or plan administrator(s) from any liability it may have to Employees or beneficiaries of Employees.
- D. Notwithstanding any provision in this Article that could be construed to the contrary, this Article will not be construed to require Great Lakes Water to fall out of compliance with the requirements of Public Act 152 of 2011, MCL § 15.561, et. seq. (“PA 152”).
- E. In the event a carrier eliminates one of the health care plan(s) set forth in this Article above or a plan(s) will be subject to the Cadillac Tax under the Affordable Care Act or other similar state or federal law or regulation (hereafter collectively “the Cadillac Tax”), Great Lakes Water will give notice to the Employee. GLWA shall implement the most comparable standard plan that does not result in a cost increase to Great Lakes Water to replace the plan(s) that are being eliminated or that will be subject to the Cadillac Tax.
- F. GLWA reserves the right to change carriers, or to self-insure, provided that the overall level of benefits is substantially similar.

## **16. WORKERS’ COMPENSATION**

All Employees shall be covered by the applicable Workers’ Compensation laws and GLWA’s Worker’s Compensation Policy, as may be amended at the discretion of GLWA.

Note: In order to continue hospitalization and life insurance benefits, Employees are responsible for their portion of the premium as required by this ET. Those deductions will be made

automatically while they remain on the payroll. Once they leave the payroll, they must make arrangements with the Organizational Development Unit to pay those premiums in order to continue coverage.

Employees shall not be eligible for holiday pay nor earn additional PTO when they are being paid workers' compensation benefits.

#### **17. SHORT-TERM AND LONG-TERM DISABILITY INSURANCE**

- A. Disability Insurance: GLWA shall provide Full-time Employees, who were active employees of DWSD when they received an offer from GLWA, beginning on the first day of the first full month of employment, with short-term and long-term disability insurance. Full-time Employees who were not active employees of DWSD when they received an offer from GLWA shall be eligible for these benefits on the first day of the first month following ninety (90) calendar days of employment.
- B. Eligible Employees shall receive short-term disability benefits of 50% of the base wages, up to a maximum of \$2,500 per week until one hundred eighty (180) days. Short-term disability benefits begin after fourteen (14) consecutive calendar days.
- C. Eligible Employees shall receive long-term disability benefits after one hundred eighty (180) days. If the Employee is disabled prior to age 65 long-term disability benefits shall continue until Social Security Normal Retirement age. If the Employee is disabled on or after age 65, benefits shall be reduced based on the Employee's age.
- D. GLWA shall provide short-term and long-term disability benefits, without an employee contribution to the premium. GLWA reserves the right to select the carrier in its sole discretion. Interpretation of the policy shall be the responsibility of the insurance carrier, not GLWA.

#### **18. LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT**

- A. Life Insurance: GLWA shall provide Full-time Employees, beginning on the first day of the first full month of employment, with life insurance. The life insurance benefit shall be 1.5 times the Employee's annual earnings, calculated at the Employee's annual earnings, calculated at the Employee's base hourly wage or salary, up to a maximum benefit of \$300,000, however, the minimum benefit shall be \$50,000.
- B. Accidental Death and Dismemberment: GLWA shall also provide an accidental death and dismemberment coverage to employees enrolled in life insurance coverage.
- C. GLWA reserves the right to change carriers or to self-insure.

#### **19. WAGES**

- A. WAGES: The classifications and wages are listed in Exhibit VI.

Great Lakes Water embraces the total compensation concept that solidifies the relationship between benefits and wage rates. In addition, Great Lakes Water has adopted a classification system that encourages individual growth and development along an established progression chart. Achievement of progression requirements (knowledge, skill and ability) within a classification, coupled with performance evaluation, is linked to an increase in wages. As Employees attain required skills, wage adjustments will be made in accordance with the Employee's performance review and the established criteria to assign specific levels within a classification.

- B. All salaried Employees will have their hourly rates computed by dividing their annual salary by 2,080 hours.
- C. Where by payroll error an Employee is underpaid or overpaid, Great Lakes Water may correct the underpayment or overpayment by payroll adjustment, to the extent authorized under the Michigan Wage and Fringe Benefit Act. Great Lakes Water may deduct time from the Employee's accrued vacation and sick leave banks at termination to recover an overpayment. Great Lakes Water shall notify an Employee in writing fourteen (14) days prior to making any overpayment recovery.

The correction of the underpayment shall be made within sixty (60) days after notification to the Organizational Development Unit.

For overpayment recoveries Great Lakes Water is authorized to deduct up to \$100 bi-weekly. If the Employee separates from Great Lakes Water service, the entire unpaid balance shall be recoverable immediately.

If the amount owed by the Employee is over \$2,600, Great Lakes Water reserves the right to seek immediate recovery through the appropriate legal proceedings.

## **20. RETIREMENT**

- A. Full-time Employees shall be eligible to participate in 1) an Internal Revenue Code Section 401(a) defined contribution retirement plan, and 2) an Internal Revenue Code Section 457(b) deferred compensation plan. Such plans shall be administered by an independent third party vendor selected by GLWA.
- B. Great Lakes Water's contribution to the Section 401(a) defined contribution retirement plan shall be an amount equal to 6% of the Employee's base wages. The Employee may make voluntary pre-tax contributions to the Section 457 plan up to annual IRS limits. Great Lakes Water shall match the Employee's voluntary contribution on a dollar-for-dollar basis up to 3% of base wages. Both the 6% employer contribution and the 3% employer matching contribution will be subject to a three (3) year "cliff" vesting schedule under the Section 401(a) retirement plan.

## **21. RETIREE HEALTH CARE SAVINGS PROGRAM**

Great Lakes Water will contribute eighty dollars (\$80) per pay period toward the cost of retiree health benefits for active full-time Employees. Those Employees shall contribute ten dollars (\$10) dollars per pay period. GLWA and employee contributions shall be deposited in a retirement health care savings program managed by an independent vendor selected by GLWA. Great Lakes Water's contribution shall be vested according to the terms of the plan. Account balances are designated for investment solely by the Employee. Vested account balances are available to pay for post-employment health care expenses for the participant and the participant's spouse and dependents. Great Lakes Water shall not be required to pay any additional amounts in connection with retiree healthcare for active Employees during the term of the ET.

## **22. PRIVATE CAR MILEAGE REIMBURSEMENT**

### **A. RATES OF PAYMENT:**

Unless otherwise provided by law, GLWA policy or job classification, when an Employee covered by this ET is assigned to use his/her automobile to perform his or her job, he or she shall be paid mileage at the current IRS per mile rate, subject to change when that rate changes higher or lower.

### **B. DEFINITION OF REIMBURSABLE MILEAGE:**

1. Trips from home to headquarters and back home shall not constitute reimbursable mileage.
2. Trips in either direction between home and any officially designated point (when there is no specific headquarters) shall not constitute reimbursable mileage.
3. Trips from headquarters (or from the designated starting point if the Employee has no headquarters) to a job, from job to job, and if directed, back to headquarters or starting point, shall constitute reimbursable mileage.

### **C. In the event of an automobile breakdown during regular working hours, the time which an Employee is allowed for servicing and repairing his automobile is to be determined by GLWA policies.**

### **D. When an Employee covered by this ET is regularly assigned to a job which requires the use of an automobile during his normal working hours, he/she shall be required to furnish said car.**

### **E. In order to receive mileage reimbursement an Employee must actually use an automobile on GLWA business.**

### **F. Employees shall be subject to GLWA's Private Car Mileage Reimbursement Policy, which may be amended from time to time in the discretion of GLWA. In case of conflict, the Policy shall take precedence.**

**EXHIBIT I – HEALTH CARE PLAN DESIGN**

**MEDICAL and PRESCRIPTION DRUG**

Health Plan	Blue Cross/Blue Shield PPO		Health Alliance Plan (HAP HMO)
	In-Network	Out-of-Network	In-Network Only
Premium Contribution Cost	GLWA pays 80% and Employee pays 20%		
Plan Deductible	\$750 Single \$1,500 Family	\$1,500 Single \$3,000 Family	\$750 Single \$1,500 Family
Coinsurance	20% for Selected Services	40% for all Services except Emergency Room	20% for Selected Services
Coinsurance Maximum	\$1,500 Single \$3,000 Family	\$3,000 Single \$9,000 Family	\$1,500 Single \$3,000 Family
Out of Pocket Maximum	\$6,550 Single \$13,100 Family	\$13,100 Single \$26,200 Family	\$6,350 Single \$12,700 Family
Primary Care Office Visit Copay	\$25	Plan pays 60% after Deductible	\$25
Specialist Office Visit Copay	\$25	Plan pays 60% after Deductible	\$25
Urgent Care Copay	\$25	Plan pays 60% after Deductible	\$25
Emergency Room Copay (Copay waived if admitted)	\$100	\$100	\$100
Hospital Coverage	Plan pays 80% after Deductible and \$100 Copay	Plan pays 60% after Deductible	Plan pays 80% after Deductible and \$100 Copay
<b>Prescription Drugs</b>			
Copay (retail, mail 2x for 90 day supply)	Generic: \$10 Copay Brand: \$35 Copay Non-Preferred Brand: \$50 Copay		

## EXHIBIT II – DENTAL PLAN

Great Lakes Water will offer a fully insured Dental Plan. GLWA will pay 80% and the employee will pay 20% of the cost of the monthly premium. The Dental Plan will offer the following benefits:

Annual Individual Deductible (Class II and III Services Only)	\$0
Annual Family Deductible (Class II and III Services Only)	\$0
Class I (Preventative Care)	100%
Class II (Basic Restorative)	80%
Class III (Major Restorative)	50%
Orthodontics (includes over age 19)	50%
Annual Maximum (Class I, II, and III Services)	\$1,000
Orthodontics Maximum (Lifetime Maximum)	\$1,000

**EXHIBIT III – OPTICAL PLAN**

GLWA will offer a comprehensive Optical Plan. GLWA will pay 80% and the employee will pay 20% of the cost of the monthly premium. The Optical Plan will offer the following benefits:

<b>Benefit Level</b>	<b>Current Plan</b>
Exam Copay	100% coverage No Copay
Frames	\$100 Allowance No Copay
<b>OR</b>	
Contact Lenses – Comprehensive Eye Exam for Contact Lenses	\$45 Allowance No Copay
Contact Lenses – Conventional / Disposable	\$45 Allowance No Copay
Contact Lenses – Medically Necessary	\$90 Total Allowance No Copay
	<b>\$90 Total Allowance Towards: Exam, Fitting and Contact Lenses</b>
<b>Frequency</b>	
Exam	24 Months
Lenses	24 Months
Frames	24 Months

## **EXHIBIT IV – FLEXIBLE SPENDING PLAN**

GLWA offers a Flexible Spending Plan and Commuter Benefits Program which permits employees to pay for eligible health, dependent care and transportation expenses on a pre-tax basis. Participation is voluntary.



**EXHIBIT V**

**Employee Complaint Form**

This form is to be used by employees of the Great Lakes Water Authority assigned to non-union job classifications. The form is to be used to initiate the formal employee Complaint process in accordance with the Employment Terms for the Great Lakes Water Authority: Article 3.

Upon completion, return this form to the Organizational Development Office.

<b>Complainant (Name):</b>	<b>Employee ID Number:</b>
<b>Job Classification:</b>	<b>Department Unit:</b>
<b>Work Phone #:</b>	<b>Alternate Phone:</b>
<b>Address:</b>	<b>City, State, Zip:</b>

Complainant(s) Statement: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Resolution Requested: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Employee Signature  
(Please attach additional pages if required)

\_\_\_\_\_  
Date

**EXHIBIT VI – WAGES**

<b>CLASSIFICATION</b>	<b>SALARY MIN</b>	<b>SALARY MAX</b>
Applications Analyst	\$52,924	\$116,592
Associate General Counsel	\$58,141	\$119,110
Chief Administrative Officer	\$136,570	\$204,856
Chief Customer Service Officer	\$120,735	\$181,103
Chief Financial Officer	\$120,735	\$181,103
Chief Operating Officer	\$136,570	\$204,856
Database Administrator	\$52,924	\$116,592
Engineering Technician	\$23,849	\$58,741
Environmental Health & Safety Coordinator	\$52,924	\$95,039
Field Services Director	\$101,900	\$181,103
General Counsel	\$120,735	\$181,103
GIS Analyst	\$41,958	\$116,592
Human Resources Generalist	\$52,924	\$95,039
Infrastructure Administrator	\$52,924	\$116,592
IT Director	\$120,735	\$181,103
IT Manager - Applications Delivery	\$94,197	\$141,295
IT Manager - Infrastructure Delivery	\$94,197	\$141,295
IT Manager - Service Delivery	\$94,197	\$141,295
IT Project Manager	\$58,141	\$116,592
Manager	\$85,563	\$141,295
Organizational Development Director	\$120,735	\$181,103
Plant Technician	\$32,412	\$68,200
Professional Administrative Analyst	\$52,924	\$95,039
Public Affairs Officer	\$85,563	\$128,344
Public Affairs Specialist	\$37,185	\$87,212
SCADA Technician	\$47,934	\$77,140
Security & Integrity Officer	\$120,735	\$181,103
Security Lieutenant	\$58,141	\$87,212
Security Project Manager	\$58,141	\$87,212
Security Sergeant	\$41,958	\$58,741
Security Specialist	\$41,958	\$58,741
Security Training Coordinator/Investigator	\$63,359	\$95,039
Service Desk Analyst	\$37,185	\$67,108
Systems Planning Officer	\$85,563	\$141,295
Team Leader	\$55,100	\$79,385
Training Specialist	\$58,141	\$95,039
Wastewater Operations Director	\$120,735	\$181,103
Water Operations Director	\$120,735	\$181,103

ACKNOWLEDGMENT

I acknowledge receipt of these Great Lakes Water Authority (“GLWA”) Employment Terms (“ET”) and that I am responsible for knowing its contents and keeping it updated.

I understand that the GLWA reserves the right to alter, amend, modify, change or terminate any of the rules, policies or benefits described in this ET at any time it chooses.

In consideration of my employment, I agree to conform to the rules and policies of GLWA. I agree that my employment with GLWA may be terminated, with or without cause, and with or without written notice at any time at the option of GLWA or myself. I understand that no Supervisor or representative of GLWA, other than the CEO has the authority to enter into any agreement contrary to the foregoing, and that any such changes must be in writing directed exclusively to me and signed by the CEO and me and which specifically refers to GLWA’s ET.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(GLWA Copy)

ACKNOWLEDGMENT

I acknowledge receipt of these Great Lakes Water Authority (“GLWA”) Employment Terms (“ET”) and that I am responsible for knowing its contents and keeping it updated.

I understand that the GLWA reserves the right to alter, amend, modify, change or terminate any of the rules, policies or benefits described in this ET at any time it chooses.

In consideration of my employment, I agree to conform to the rules and policies of GLWA. I agree that my employment with GLWA may be terminated, with or without cause, and with or without written notice at any time at the option of GLWA or myself. I understand that no Supervisor or representative of GLWA, other than the CEO has the authority to enter into any agreement contrary to the foregoing, and that any such changes must be in writing directed exclusively to me and signed by the CEO and me and which specifically refers to GLWA’s ET.

Employee Signature: \_\_\_\_\_ Date: \_\_\_\_\_

(Employee Copy)