



**Meeting of the Valley Clean Energy Alliance  
Board of Directors  
Thursday, January 11, 2024 at 5:30 p.m.  
City of Woodland Council Chambers  
300 First Street, Woodland, California 95695**

Board Members will be attending in-person and public participation will be in-person and available via Zoom Webinar (video/teleconference). VCE will, to the best of its ability, provide hybrid and remote options for VCE meeting participants and to the public; however, VCE cannot guarantee these options will be available due to technical limitations outside of our control. For assurance of public comment, VCE encourages in-person and written public comments to be submitted as described below when possible. VCE, to the best of its abilities, will provide participation via the Zoom platform.

Accommodations for Persons with disabilities: Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact Alisa Lembke, VCE Board Clerk/Administrative Analyst, as soon as possible and preferably at least two (2) working days before the meeting at (530) 446-2754 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org).

If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of VCEA staff who will distribute the information to the Board members and other staff.

Please note that the numerical order of items is for convenience of reference. Items may be taken out of order on the request of any Board member with the concurrence of the Board. Staff recommendations are advisory to the Board. The Board may take any action it deems appropriate on any item on the agenda even if it varies from the staff recommendation.

**Members of the public who wish to listen to the Board of Director's meeting may do so with the video/teleconferencing call-in number and meeting ID code.  
Video/teleconference information below to join meeting:**

**Join meeting via Zoom:**

- a. From a PC, Mac, iPad, iPhone, or Android device with high-speed internet.**

**(If your device does not have audio, please also join by phone.)**

**<https://us02web.zoom.us/j/81062166208>**

**Meeting ID: 810 6216 6208**

- b. By phone**

One tap mobile:

+1-669-900-9128,, 81062166208# US

+1-669-444-9171,, 81062166208# US

Dial:

+1-669-900-9128 US

+1-669-444-9171 US

**Meeting ID: 810 6216 6208**

**Public comments may be submitted electronically or during the meeting.** Instructions on how to submit your public comments can be found in the **PUBLIC PARTICIPATION** note at the end of this agenda.

**Board Members:** Tom Stallard (Chair, City of Woodland), Lucas Frerichs (Vice Chair, Yolo County), Jesse Loren (City of Winters), Will Arnold (City of Davis), Tania Garcia-Cadena (City of Woodland), Albert Vallecillo (City of Winters), Bapu Vaitla (City of Davis)

**Alternate Board Members:** Angel Barajas (Yolo County), Mayra Vega (City of Woodland), Donna Neville (City of Davis)

### **5:30 p.m. Call to Order**

- 1. Welcome / Oath of Office to new Board Member(s). (Government Code § 1362)**
- 2. Election of Officers for 2024**
- 3. Recognition of Service of Community Advisory Committee Member Marsha Baird**
- 4. Public Comment:** This item is reserved for persons wishing to address the Board on any VCE-related matters that are not otherwise on this meeting agenda or are listed on the Consent portion of the agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. As with all public comment, members of the public who wish to address the Board are customarily limited to two minutes per speaker, electronically submitted comments should be limited to approximately 300 words. Comments that are longer than 300 words will only be read for two minutes. All electronically submitted comments, whether read in their entirety or not, will be posted to the VCE website within 24 hours of the conclusion of the meeting. See below under **PUBLIC PARTICIPATION** on how to provide your public comment.

### **CONSENT AGENDA**

- 5. Approve December 14, 2023 Board meeting Minutes.**
- 6. Receive 2024 long range calendar.**
- 7. Receive financial update: November 30, 2023 (unaudited) financial statement.**
- 8. Receive January 3, 2024 regulatory update provided by Keyes & Fox.**
- 9. Receive Community Advisory Committee December 21, 2023 meeting summary.**
- 10. Receive quarterly customer participation update.**
- 11. Approve VCE Employee Handbook updates.**

### **REGULAR AGENDA**

- 12. Consider 2024 customer rates adjustment.**
- 13. Receive 2023 customer year-end review and recap presentation. (Information)**
- 14. Board Member and Staff Announcements:** Action items and reports from members of the Board, including announcements, AB1234 reporting of meetings attended by Board

Members of VCEA expense, questions to be referred to staff, future agenda items, and reports on meetings and information which would be of interest to the Board or the public.

- 15. Announcement/Adjournment:** The Board’s next regular meeting is scheduled for Thursday, February 8, 2024 at 5:30 p.m. at the City of Davis Community Chambers located at 23 Russell Boulevard, Davis, California 95616.

**PUBLIC PARTICIPATION: Public Comments:** Public participation for this meeting will be done electronically via e-mail and during the meeting as described below.

**Public participation via e-mail:** If you have anything that you wish to be distributed to the Board and included in the official record, please e-mail it to VCE staff at [Meetings@ValleyCleanEnergy.org](mailto:Meetings@ValleyCleanEnergy.org) . If information is received by 3:00 p.m. on the day of the Board meeting it will be e-mailed to the Board members and other staff prior to the meeting. If it is received after 3:00 p.m. the information will be distributed after the meeting, but within 24 hours of the conclusion of the meeting. Written public comments that do not exceed 300 words will be read by the VCE Board Clerk, or other assigned VCE staff, to the Board and the public during the meeting subject to the usual time limit for public comments [two (2) minutes]. General written public comments will be read during Item 4, Public Comment. *Written public comment on individual agenda items should include the item number in the “Subject” line for the e-mail and the Clerk will read the comment during the item.* All written comments received will be posted to the VCE website.

**Verbal public participation during the meeting:**

- 1) **If attending in person**, please complete a **Comment Card** and return it to the Board Clerk.
- 2) **If attending remotely via Zoom**, there are two (2) ways for the public to provide verbal comments:
  - A. If you are attending by computer, activate the “participants” icon at the bottom of your screen, then raise your hand (hand clap icon) under “reactions”. When called upon, you will be “unmuted” to allow to speak.
  - B. If you are attending by phone only, you will need to press \*9 to raise your hand. When called upon, press \*6 to unmute your microphone.

**VCE staff will acknowledge that you have a public comment to make during the item and will call upon you to make your verbal comment.**

Public records that relate to any item on the open session agenda for a regular or special Board meeting are available for public review on the VCE website. Records that are distributed to the Board by VCE staff less than 72 hours prior to the meeting will be posted to the VCE website at the same time they are distributed to all members, or a majority of the members of the Board. Questions regarding VCE public records related to the meeting should be directed to Board Clerk Alisa Lembke at (530) 446-2750 or [Alisa.Lembke@ValleyCleanEnergy.org](mailto:Alisa.Lembke@ValleyCleanEnergy.org). The Valley Clean Energy website is located at: <https://valleycleanenergy.org/board-meetings/>.

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 5

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**TO:** Board of Directors  
**FROM:** Alisa Lembke, Board Clerk / Administrative Analyst  
**SUBJECT:** Approval of Minutes from December 14, 2023 meeting  
**DATE:** January 11, 2024

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#### RECOMMENDATION

Receive, review and approve the attached December 14, 2023 meeting Minutes.

Attachment: 12/14/23 meeting Minutes



**MINUTES OF THE VALLEY CLEAN ENERGY ALLIANCE  
BOARD OF DIRECTORS MEETING  
THURSDAY, DECEMBER 14, 2023**

The Board of Directors of the Valley Clean Energy Alliance duly noticed their regular meeting for Thursday, December 14, 2023 at 5:30 p.m. to be held at City of Davis Community Chambers located at 23 Russell Blvd., Davis, California 95616. VCE Chair Tom Stallard established that there was a quorum present and began the meeting at 5:01 p.m.

Board Members Present: Tom Stallard, Lucas Frerichs, Jesse Loren, Bapu Vaitla, Albert Vallecillo (Alternate – City of Winters)

Members Absent: Will Arnold, Mayra Vega, Mary Vixie Sandy

Welcome / Board Clerk Administering the Oath of Office to new Member(s) Chair Stallard welcomed the Board members. There were no new members present to give the Oath of Office.

Public Comment – General and Consent Chair Stallard opened the floor for public comment on both general and Consent agenda items. Written public comment on “Item 13 – Ratify Greenhouse gas (GHG) Free Attributes for 2024 accepting large hydro and rejecting nuclear” was read into the record from George Galamba, who supports taking nuclear attributes. There were no verbal public comments on general or Consent agenda items.

Approval of Consent Agenda / Resolutions 2023-014; 2023-015; 2023-017; and, 2023-018 As indicated above, there was one (1) written public comment on Item 13. Chair Stallard pulled “Item 13 – Ratify Greenhouse gas (GHG) Free Attributes for 2024 accepting large hydro and rejection nuclear” to the Regular agenda for further discussion.

Motion made by Director Frerichs to approve the Consent agenda items 3 through 12 and items 14 through 16, seconded by Director Loren. There were no written or verbal comments on these Consent items. Motion passed with Directors Arnold, Vega, and Vixie Sandy absent. The following items were:

3. Approved November 9, 2023 Board meeting;
4. Received 2023 Long Range Calendar;
5. Receive financial update: October 31, 2023 (unaudited) financial statement;
6. Received legislative update provided by Pacific Policy Group;



7. Received November 2023 Regulatory update dated December 6, 2023 provided by Keyes & Fox;
8. Received Community Advisory Committee November 16, 2023 meeting summary and 2023 Year End Task Group Reports;
9. Received VCE Grant/Program activity summary;
10. Received copy of Letter to amend Jim Parks agreement to extend term through December 31, 2024;
11. Approved Amendment 3 to Automate Mailing agreement to extend term through December 31, 2024 via Resolution 2023-014;
12. Approved Amendment 6 to Keyes & Fox agreement to extend term through December 31, 2024 and increase the not to exceed amount via Resolution 2023-015;
14. Designated Chief Operating Officer Gordon Samuel as the alternate to the California Community Power Agency (CC Power) Board of Directors;
15. Appointed Edward Burnham, Valley Clean Energy Director of Finance and Internal Operations as VCE's Auditor and Treasurer as Resolution 2023-017; and,
16. Authorize Executive Officer to enter into a letter agreement and amended power purchase agreement with Leeward Renewable Energy to address changes in the commercial operation date of the Willy 9 Chap 2 facility as Resolution 2023-018.

Item 13 – Ratify Greenhouse gas (GHG) Free Attributes for 2024 accepting large hydro and rejecting nuclear. (Action) / Resolution 2023-016

VCE Chief Operating Officer Gordon Samuel provided a brief background on VCE's approach and decision to reject nuclear GHG free attributes. Mr. Samuel informed those present that this subject and Staff's recommendation is reviewed by the Community Advisory Committee (CAC) prior to this subject/item coming to the Board. Over the past several years, VCE has accepted large hydro and rejected nuclear.

Staff and the Board discussed the benefits and detriments of accepting nuclear attributes. The Board asked that Staff come back to the Board with more information, including what other CCA's are doing, and provide a briefing on this subject. Written public comment from George Galamba was read into the record earlier on this item.

Verbal public comment: Christine Shewmaker stated that as a past CAC member, the CAC had vigorous discussions on this subject with a majority of the Members opposed to accepting nuclear attributes.

Verbal public comment: George Galamba restated verbally that he supports VCE accepting nuclear attributes.

Director Loren made a motion to:



1. accept the 2024 allocation of large hydro carbon free attributes paid for by VCE customers;
2. reject the 2024 allocation of nuclear power carbon free attributes;
3. ratify the Executive Officer's approval to enter into an agreement with PG&E to accept only the Large Hydro portion of the 2024 GHG free allocations;
4. as approved by the Board in December 2022, in the event the future attributes are made available to VCE and there are no material changes in VCE's position, staff will continue to bring this item to the Community Advisory Committee (CAC) and Board as part of their respective consent agendas; and,
5. directs Staff to gather information on nuclear attributes to have further discussions with the CAC first, then the Board.

This motion was seconded by Chair Stallard. Motion passed by the following vote:

AYES: Frerichs, Loren, Vaitla, Vallecillo (Alt.), Stallard

NOES: None

ABSENT: Arnold, Vega, Vixie Sandy

ABSTAIN: None

Item 17: Approve  
2024 Operating  
Budget and 2024  
Customer Rates.  
(Discussion/Action)/  
Resolution 2023-019

VCE Executive Officer Mitch Sears introduced this item. VCE Director of Finance and Internal Operations Edward Burnham provided an overview of the proposed 2024 operating budget; reviewed VCE's near (2024) and mid/long (2024-2027) term financial outlook; reviewed 2024 rates and budget key objectives and factors; reviewed primary drivers of the 2024 budget with a focus on power purchase agreement contributions and portfolio trajectory; reviewed retail load (forecast versus actual); 2024 proposed rates; and, Staff's recommendation.

The Board and Staff discussed: the variance between forecasted and actual load; reserve goals; credit rating; rate discounts to all Customers; Customer programs and dividends; annual net margin; energy and transmission and distribution rates; opt out rates and returning Customers; incentives and other tools that VCE could offer; renewable and clean energy; and, long term planning and priorities.

Verbal Public Comment: Christine Shewmaker provided public comment that purchasing renewable energy has been a goal for VCE, along with keeping rates low, providing dividends and programs to its customers. She stated that low income and marginalized customers are a priority and keeping rates low for CARE/FERA customers and other rate options available, such as Standard Green, is important.



Verbal Public Comment: Marsha Baird provided public comment that as a Community Advisory Committee member and part of the Dividend Plan Task Group, which developed the Dividend Plan with staff, the idea was to revisit the plan, keep rates the same, then review whether or not VCE could provide a dividend to its customers on an annual basis.

Director Loren made a motion to:

1. Approve 2024 VCE Customer Rates:
  - a. Standard Green Rates for 2024 to match PG&E 2024 generation rates.
  - b. Base Green Rate 2.5% lower than PG&E 2024 generation rates
    - i. Automatically provide CARE and FERA customers the lowest rate (Base Green)
2. Approve 2024 Budget with \$106.5M of operating revenues and \$82M of operating expenses for a net income of \$24.5M.
3. Approve prepayment of \$185K for retirement of term loan with River City Bank by December 31, 2023

This motion was seconded by Director Vaitla.

Chair Stallard made a substitute motion to reduce 2024 customer rates by 2%. There was no second to this motion. Vice Chair Frerichs commented that he is in alignment with setting VCE apart from the IOU. He would like Staff to prepare some information on rate options for the Board to review and discuss.

The motion made by Director Loren, seconded by Director Vaitla was voted on. The Motion passed as Resolution 2023-019 by the following vote:

AYES: Frerichs, Loren, Vaitla, Vallecillo (Alt.)

NOES: Stallard

ABSENT: Arnold, Vega, Vixie Sandy

ABSTAIN: None

Item 18: Approve 1) Amendment 3 to VCE's Joint Exercise of Powers Agreement (JPA) and 2) adopt a Director Compensation and Expense

Mr. Sears introduced this item and provided a brief review of the proposed Amendment and Policy. There were no verbal or written public comments.

Motion made by Director Frerichs to approve resolution:

(1) amending the Joint Powers Agreement (JPA) section 3.6 Director Compensation; and,

(2) adopting a Board Compensation and Expense Reimbursement Policy.

This motion was seconded by Director Loren. Motion passed as Resolution 2023-020 by the following vote:

AYES: Frerichs, Loren, Vaitla, Vallecillo (Alt.), Stallard





Reimbursement  
Policy.  
(Discussion/Action)  
/ Resolution 2023-  
020

NOES: None  
ABSENT: Arnold, Vega, Vixie Sandy  
ABSTAIN: None

Item 14: Board  
Member and Staff  
Announcements

Director Loren thanked all who came out to the Electric Vehicle Charger event in Winters. Director Vallecillo stated that it was a great event.

Vice Chair Frerichs thanked Chair Stallard for his service as Chair this past year.

Mr. Sears informed those present that VCE and CalCCA are tracking a ballot initiative for the November 2023 ballot on fees and taxes that may impact CCA's rate setting. He informed those present that the resource adequacy structure is changing to "slice of day" in 2025 instead of using the 24-hour time frame. Mr. Samuel informed those present that Staff will be looking at the impacts to VCE's power portfolio.

Mr. Sears thanked Director Stallard for serving as Chair.

Announcement

The Board's next regular meeting is scheduled for Thursday, January 11, 2024 at 5:30 p.m. at the City of Woodland Council Chambers located at 300 First Street, Woodland, California 95695. There being no further business to discuss the meeting was adjourned at 7:16 p.m.

Alisa M. Lembke  
VCEA Board Secretary

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report - Item 6

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**TO:** Board of Directors

**FROM:** Alisa Lembke, Board Clerk/Administrative Analyst

**SUBJECT:** Board and Community Advisory Committee 2024 Long-Range Calendar

**DATE:** January 11, 2024

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#### **Recommendation**

Receive and file the 2024 Board and Community Advisory Committee long-range calendar listing proposed meeting topics.

Attachment: 2024 Board and CAC long range calendar

**VALLEY CLEAN ENERGY**  
**2024 Meeting Dates and *Proposed* Topics**  
**Board and Community Advisory Committee (CAC)**  
**(Note: Meeting locations and Topics are subject to change)**

MEETING DATE		TOPICS	ACTION
January 11, 2024	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members [new Members(s) only]</li> <li>• Election of Officers for 2024 (Annual)</li> <li>• 2023 Year End Review: Customer Care and Marketing</li> <li>• Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Information</li> <li>• Information</li> </ul>
January 25, 2024	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• Customer Participation Update</li> <li>• Brown Act &amp; Social Media Platforms (<i>placeholder</i>)</li> <li>• Review CAC Task Group “Charges”</li> <li>• AgFIT (Agriculture Flexible Irrigation Technology) Pilot Program – How it works</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
February 8, 2024	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Legislative &amp; Regulatory Updates</li> <li>• Update on 2024 PCIA and Rates</li> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• Strategic Plan Update (Annual)</li> <li>• Receive Treasury and Finance Update.</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Information</li> </ul>
February 22, 2024	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• Strategic Plan Update (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> </ul>
March 14, 2024 <b>MEETING START TIME OF 6 P.M.</b>	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	
March 28, 2024	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>•</li> </ul>	

April 11, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>Update on SACOG Grant – Electrify Yolo</li> <li>Calendar Year 2024 Audited Financial Statements (James Marta &amp; Co.)</li> <li>Receive Enterprise Risk Management Report (Bi-Annual)</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> <li>Action</li> <li>Information</li> </ul>
April 25, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> </ul>
May 9, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li></li> </ul>	
May 23, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li></li> </ul>	
June 13, 2024	Board (Davis)	<ul style="list-style-type: none"> <li>Re/Appointment of Members to Community Advisory Committee (Annual)</li> <li>Customer Participation Update</li> <li>Mid-Year 2024 Financial Update</li> <li>Receive final Calendar Year 2023 Financial Audit Report</li> <li>Recap of CalCCA April 2024 Annual Conference</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information</li> <li>Information</li> <li>Information</li> <li>Information</li> </ul>
June 27, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>2023 Net Margin/Customer Dividend and Programs Allocation</li> <li>Power Procurement / Renewable Portfolio Standard Update</li> </ul>	<ul style="list-style-type: none"> <li>Discussion</li> <li>Information</li> </ul>
July 11, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>Status of SACOG Grant – Electrify Yolo</li> <li>Customer Participation Update</li> <li>2023 Net Margin/Customer Dividend and Programs Allocation</li> <li>Power Portfolio Renewable Content Update (<i>placeholder</i>)</li> </ul>	<ul style="list-style-type: none"> <li>Information/Discussion/Action</li> <li>Information</li> <li>Discussion/Action</li> <li>Information/Discussion</li> </ul>
July 25, 2024	Advisory Committee (Woodland)	<ul style="list-style-type: none"> <li></li> </ul>	
August 8, 2024	Board (Davis)	<ul style="list-style-type: none"> <li></li> </ul>	
August 22, 2024	Advisory Committee (Davis)	<ul style="list-style-type: none"> <li>Customer Participation Update</li> </ul>	<ul style="list-style-type: none"> <li>Information</li> </ul>
September 12, 2024	Board (Woodland)	<ul style="list-style-type: none"> <li>Certification of Standard and UltraGreen Products / 2023 Power Content Label (Annual)</li> <li>Enterprise Risk Management Update (Bi-annual)</li> </ul>	<ul style="list-style-type: none"> <li>Action</li> <li>Information</li> </ul>

September 26, 2024	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• Progress Update on Programs Plan and Introduction to 2025 Program concepts</li> <li>• Receive Board Staff Report on Certification of Standard and UltraGreen Products / 2023 Power Content Label</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Information</li> </ul>
October 10, 2024	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Update on SACOG Grant – Electrify Yolo</li> <li>• 2024 Operating Budget Update and 2025 preliminary Operating Budget</li> <li>• Customer Participation Update</li> <li>• Progress Update on Programs Plan and 2025 program concepts</li> <li>• Legislative End of Session Update</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> <li>• Information</li> </ul>
October 24, 2024	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• 2023 Power Content Label outreach</li> <li>• Customer Participation Update</li> <li>• Draft 2025 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
November 14, 2024	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• 2025 Operating Budget Update</li> <li>• 2023 Power Content Label outreach</li> <li>• 2025 Legislative Platform</li> </ul>	<ul style="list-style-type: none"> <li>• Information/Discussion</li> <li>• Information</li> <li>• Discussion/Action</li> </ul>
November 28, 2024 November 21, 2024 (rescheduled to November 21st due to the Thanksgiving holiday on Nov. 28 <sup>th</sup> )	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• GHG Free Attributes</li> <li>• Legislative End of Session Update</li> <li>• 2025 Budget Update/Preview</li> <li>• Review and finalize CAC Task Group Year-end Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Information</li> <li>• Discussion</li> </ul>
December 12, 2024	<b>Board (Davis)</b>	<ul style="list-style-type: none"> <li>• Approve 2025 Operating Budget (Annual) and 2025 Customer Rates</li> <li>• GHG Free Attributes</li> <li>• Receive VCE Grant/Program activity summary</li> <li>• Receive CAC Year-end Task Group Reports</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Action</li> <li>• Information</li> <li>• Information</li> </ul>
December 26, 2023 (rescheduled to December 19, 2023 due to Christmas holiday on Dec. 25 <sup>th</sup> )	<b>Advisory Committee (Davis)</b>	<ul style="list-style-type: none"> <li>• 2025 CAC Task Group(s) formation (Annual)</li> <li>• Power Procurement / Renewable Portfolio Standard Update</li> <li>• Election of Officers for 2025 (Annual)</li> </ul>	<ul style="list-style-type: none"> <li>• Discussion/Action</li> <li>• Information</li> <li>• Nominations</li> </ul>
January 9, 2025	<b>Board (Woodland)</b>	<ul style="list-style-type: none"> <li>• Oaths of Office for Board Members (Annual - new Members only)</li> <li>• Election of Officers for 2025 (Annual)</li> <li>• Customer Participation Update</li> <li>• 2024 Year in review: Customer Care &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>• Action</li> <li>• Nominations</li> <li>• Information</li> <li>• Information</li> </ul>

January 23, 2025	<b>Advisory Committee (Woodland)</b>	<ul style="list-style-type: none"> <li>• Rates/Budget 2025 Update</li> <li>• Customer Participation Update</li> <li>• Review 2025 Task Group “Charges”</li> </ul>	<ul style="list-style-type: none"> <li>• Information</li> <li>• Information</li> <li>• Discuss/Action</li> </ul>
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**Notes:** CalCCA Annual Meeting scheduled for April 16-19, 2024 (San Jose).

<b>CAC PROPOSED FUTURE TOPICS</b> Topics and Discussion dates may change as needed	<b><u>ESTIMATED</u> MEETING DATE(S)</b>
Electric Vehicle Rebate Program – Phase 2	TBD
Inflation Reduction Act (IRA) opportunities	TBD
Regionalization (Information)	TBD
Self Generation Incentive Program (SGIP)	TBD
Agri-voltaics (for information only)	TBD
Status of Net Billing Tariff (NBT)/Solar Billing Plan (SBP) (as needed)	
Legislative Items (as needed)	

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 7**

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**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Director  
Edward Burnham, Finance and Operations Director

**SUBJECT:** Financial Update – November 30, 2023 (unaudited) financial statements (with comparative year to date information) and Actual vs. Budget year to date ending November 30, 2023

**DATE:** January 11, 2024

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**RECOMMENDATION:**

Accept the following Financial Statements (unaudited) for the period of November 1, 2023 to November 30, 2023 (with comparative year to date information) and Actual vs. Budget year to date ending November 30, 2023.

**BACKGROUND & DISCUSSION:**

The attached financial statements are prepared in a form to satisfy the debt covenants with River City Bank pursuant to the Line of Credit and are required to be prepared monthly.

The Financial Statements include the following reports:

- Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Net Position
- Statement of Cash Flows

In addition, Staff is reporting the Actual vs. Budget variances year to date ending November 30, 2023.

**Financial Statements for the period November 1, 2023 – November 30, 2023**

In the Statement of Net Position, VCE, as of November 30, 2023, has a total of \$24,744,373 in its checking, money market and lockbox accounts, \$1,100,000 restricted assets for the Debt Service Reserve account, \$1,800,000 restricted assets related to supplier deposits, and \$1,0179,761 restricted assets for the Power Purchases Reserve account. VCE has incurred obligations from Member agencies and owes as of November 30, 2023 a total of \$9,987. VCE member obligations are incurred monthly due to staffing, accounting, and legal services.

The term loan with River City Bank includes a current portion of \$226,276. On November 30, 2022, VCE's net position was \$33,312,080.

In the Statement of Revenues, Expenditures, and Changes in Net Position, VCE recorded \$ 3,815,088 of revenue (net of allowance for doubtful accounts), of which \$6,349,052 was billed in November, and \$2,734,614 represent estimated unbilled revenue. The cost of electricity for the November revenue totaled \$2,318,449. For November, VCE's gross margin was approximately 39% and the net income totaled \$1,164,259. The year-to-date change in net position was 17,901,546.

In the Statement of Cash Flows, VCE cash flows from operations were \$2,981,756 due to November cash receipts of revenues being more than the monthly cash operating expenses.

#### Actual vs. Budget Variances for the year to date ending November 30, 2023

Below are the financial statement line items with variances >\$50,000 and 5%

- Electric Revenue – (\$10,322,318) and -11% – Unfavorable variance due to retail load variance lower than forecasted due to mild winter and spring.
- Purchased Power – \$1,671,092 and -1% – unfavorable variance due to gas prices driving short-term power market increases during winter offset by lower load than forecasted.
- CC Power – (\$57,264) and 247% unfavorable variance related to PPA contract participation.
- Wholesale Energy Services – (\$349,772) and -39% unfavorable variance related to the transition of services to TEA starting in Q123 budgeted for Q223.
- Credit Support Services (SMUD) – \$101,982 and 40% favorable variance related to lower retail load than forecasted due to mild winter and summer.
- Operational Support Services (SMUD) – (\$96,959) and -165% unfavorable variance related to Percentage of Income Payment Plan (PIPP) program implementation, bill presentment, and base green rate implementation.
- Legal General Counsel – \$123,038 and 82% favorable variance related to lower operational support requirements than budgeted.
- Strategic Plan Implementation – \$106,721 or 81% favorable variance due to timing difference.
- Contingency – (\$220,00) and (100%) – favorable variance to budget is due to not having a need yet to utilize the contingency funds set aside in the budget.

#### **Attachments:**

- 1) Financial Statements (Unaudited) November 1, 2023 to November 30, 2023 (with comparative year to date information.)
- 2) Actual vs. Budget for the year to date ending November 30, 2023





# **VALLEY CLEAN ENERGY**

**VALLEY CLEAN ENERGY ALLIANCE**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2023**

**PREPARED ON JANUARY 4, 2024**

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF NET POSITION**  
**NOVEMBER 30, 2023**  
**(UNAUDITED)**

**ASSETS**

Current assets:

Cash and cash equivalents	\$	24,744,373
Accounts receivable, net of allowance		10,390,525
Accrued revenue		2,734,616
Prepaid expenses		100,698
Inventory - Renewable Energy Credits		600,000
Other current assets and deposits		2,227,703
Total current assets		40,797,915

Restricted assets:

Debt service reserve fund		1,100,000
Power purchase reserve fund		1,079,761
Total restricted assets		2,179,761
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>42,977,676</b>

**LIABILITIES**

Current liabilities:

Accounts payable	\$	360,152
Accrued payroll		96,142
Interest payable		904
Due to member agencies		9,987
Accrued cost of electricity		5,242,272
Other accrued liabilities		1,913,941
Security deposits - energy supplies		1,800,000
User taxes and energy surcharges		15,922
Limited Term Loan		226,276
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>9,665,596</b>

**NET POSITION**

Net position:

Local Programs Reserve	\$	224,500
Restricted		2,179,761
Unrestricted		30,907,819
<b>TOTAL NET POSITION</b>	<b>\$</b>	<b>33,312,080</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN NET POSITION**  
**FOR THE PERIOD OF NOVEMBER 1, 2023 TO NOVEMBER 30, 2023**  
**(WITH COMPARATIVE YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<b>FOR THE PERIOD ENDING NOVEMBER 30, 2023</b>	<b>YEAR TO DATE</b>
<b>OPERATING REVENUE</b>		
Electricity sales, net	\$ 3,815,088	\$ 87,088,683
Other revenue	-	701,719
<b>TOTAL OPERATING REVENUES</b>	<b>3,815,088</b>	<b>87,790,402</b>
<b>OPERATING EXPENSES</b>		
Cost of electricity	2,318,449	64,287,694
Contract services	239,019	2,924,470
Staff compensation	129,529	1,300,492
General, administration, and other	9,962	1,640,833
<b>TOTAL OPERATING EXPENSES</b>	<b>2,696,959</b>	<b>70,153,489</b>
<b>TOTAL OPERATING INCOME (LOSS)</b>	<b>1,118,129</b>	<b>17,636,913</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest income	46,760	279,633
Interest and related expenses	(630)	(15,001)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>46,130</b>	<b>264,632</b>
<b>CHANGE IN NET POSITION</b>	<b>1,164,259</b>	<b>17,901,546</b>
Net position at beginning of period	32,147,821	15,410,534
Net position at end of period	<b>\$ 33,312,080</b>	<b>\$ 33,312,080</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2023  
(WITH YEAR TO DATE INFORMATION)  
(UNAUDITED)

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2023</u>	<u>YEAR TO DATE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from electricity sales	\$ 3,377,285	\$ 84,127,224
Payments received from other revenue sources	-	701,719
Payments to purchase electricity	(4,545,314)	(59,935,589)
Payments for contract services, general, and administration	(381,764)	(3,998,564)
Payments for staff compensation	(109,523)	(1,320,635)
Other cash payments	-	(268,507)
<b>Net cash provided (used) by operating activities</b>	<b>(1,659,316)</b>	<b>19,574,155</b>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Principal payments of Debt	(44,832)	(304,692)
Interest and related expenses	(833)	(16,338)
<b>Net cash provided (used) by non-capital financing activities</b>	<b>(45,665)</b>	<b>(321,030)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of nondepreciable assets		
Acquisition of capital assets		
<b>Net cash provided (used) by capital and related financing activities</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	46,760	279,632
<b>Net cash provided (used) by investing activities</b>	<b>46,760</b>	<b>279,632</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	(1,658,221)	19,264,250
Cash and cash equivalents at beginning of period	28,582,355	154,735,743
<b>Cash and cash equivalents at end of period</b>	<b>26,924,134</b>	<b>173,999,994</b>
Cash and cash equivalents included in:		
Cash and cash equivalents	24,744,373	24,744,373
Restricted assets	2,179,761	2,179,761
<b>Cash and cash equivalents at end of period</b>	<b>\$ 26,924,134</b>	<b>\$ 26,924,134</b>

**VALLEY CLEAN ENERGY ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE PERIOD OF NOVEMBER 1 TO NOVEMBER 30, 2023**  
**(WITH YEAR TO DATE INFORMATION)**  
**(UNAUDITED)**

	<u>FOR THE PERIOD ENDING NOVEMBER 30, 2023</u>	<u>YEAR TO DATE</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,118,129	\$ 13,318,055
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense		
(Increase) decrease in net accounts receivable	1,788,305	694,562
(Increase) decrease in accrued revenue	(2,170,119)	695,781
(Increase) decrease in prepaid expenses	15,343	(100,698)
(Increase) decrease in inventory - renewable energy credits	-	(600,000)
(Increase) decrease in other assets and deposits	-	(268,507)
Increase (decrease) in accounts payable	(21,626)	(39,383)
Increase (decrease) in accrued payroll	20,006	(20,143)
Increase (decrease) in due to member agencies	-	(196,457)
Increase (decrease) in accrued cost of electricity	(2,226,865)	633,247
Increase (decrease) in other accrued liabilities	(126,500)	903,277
Increase (decrease) in user taxes and energy surcharges	(55,989)	(32,944)
<b>Net cash provided (used) by operating activities</b>	<u>\$ (1,659,316.00)</u>	<u>\$ 14,986,790.07</u>

**VALLEY CLEAN ENERGY**  
**2023 YTD ACTUAL VS. BUDGET**  
**FOR THE YEAR TO DATE ENDING 11/30/23**

Description	YTD Actuals	YTD Budget	YTD Variance	% over/-under
Electric Revenue	\$ 87,088,682	\$ 97,411,000	\$ (10,322,318)	-11%
Other Revenues - Programs	\$ 701,719	\$ 605,000	\$ 96,719	16%
Interest Revenues	\$ 279,632	\$ 38,500	\$ 241,132	626%
<b>Purchased Power</b>	<b>\$ 64,211,908</b>	<b>\$ 65,883,000</b>	<b>\$ 1,671,092</b>	<b>3%</b>
Purchased Power Base	\$ 64,211,908	\$ 62,745,000	\$ (1,466,908)	-2%
Purchased Power Contingency 2%	\$ -	\$ 3,138,000	\$ 3,138,000	100%
<b>Labor &amp; Benefits</b>	<b>\$ 1,302,208</b>	<b>\$ 1,322,200</b>	<b>\$ 19,992</b>	<b>2%</b>
Salaries & Wages/Benefits	\$ 1,052,245	\$ 1,100,000	\$ 47,755	4%
Contract Labor (SMUD Staff Aug)	\$ -	\$ 27,500	\$ 27,500	100%
Human Resources & Payroll	\$ 249,964	\$ 194,700	\$ (55,264)	-28%
<b>Office Supplies &amp; Other Expenses</b>	<b>\$ 269,116</b>	<b>\$ 194,000</b>	<b>\$ (75,116)</b>	<b>-39%</b>
Technology Costs	\$ 43,699	\$ 38,900	\$ (4,799)	-12%
Office Supplies	\$ 9,501	\$ 2,200	\$ (7,301)	-332%
Travel	\$ 15,826	\$ 5,500	\$ (10,326)	-188%
CalCCA Dues	\$ 118,272	\$ 122,100	\$ 3,828	3%
CC Power	\$ 80,263	\$ 23,100	\$ (57,163)	-247%
Memberships	\$ 1,555	\$ 2,200	\$ 645	29%
<b>Contractual Services</b>	<b>\$ 2,718,672</b>	<b>\$ 2,609,600</b>	<b>\$ (109,072)</b>	<b>-4%</b>
Other Contract Services	\$ -	\$ 24,200	\$ 24,200	100%
Don Dame	\$ 3,553	\$ 9,900	\$ 6,347	64%
SMUD - Credit Support	\$ 152,418	\$ 254,400	\$ 101,982	40%
SMUD - Wholesale Energy Services	\$ 1,238,672	\$ 888,900	\$ (349,772)	-39%
SMUD - Call Center	\$ 807,467	\$ 768,200	\$ (39,267)	-5%
SMUD - Operating Services	\$ 155,759	\$ 58,800	\$ (96,959)	-165%
Commercial Legal Support	\$ 32,156	\$ 27,500	\$ (4,656)	-17%
Legal General Counsel	\$ 26,562	\$ 149,600	\$ 123,038	82%
Regulatory Counsel	\$ 149,112	\$ 192,500	\$ 43,388	23%
Joint CCA Regulatory counsel	\$ 42,970	\$ 30,800	\$ (12,170)	-40%
Legislative - (Lobbyist)	\$ 60,500	\$ 60,500	\$ -	0%
Accounting Services	\$ 10,542	\$ 26,400	\$ 15,858	60%
Financial Consultant	\$ -	\$ 38,500	\$ 38,500	100%
Audit Fees	\$ 38,960	\$ 79,400	\$ 40,440	51%
<b>Marketing</b>	<b>\$ 273,909</b>	<b>\$ 242,000</b>	<b>\$ (31,909)</b>	<b>-13%</b>
Marketing Collateral	\$ 242,378	\$ 231,000	\$ (11,378)	-5%
Community Engagement Activities & Sponsorships	\$ 31,532	\$ 11,000	\$ (20,532)	-187%
<b>Program Costs</b>	<b>\$ 812,637</b>	<b>\$ 764,500</b>	<b>\$ (48,137)</b>	<b>-6%</b>
Programs - EV	\$ 667,154	\$ 629,200	\$ (37,954)	-6%
Programs - AgFIT	\$ 49,452	\$ 48,400	\$ (1,052)	-2%
Programs - Heat Pump	\$ 365,681	\$ 518,150	\$ 152,469	29%
Program Costs	\$ 170,209	\$ 159,500	\$ (10,709)	-7%
Programs - AgFIT	\$ 642,428	\$ 605,000	\$ (37,428)	-6%
<b>Rents &amp; Leases</b>	<b>\$ 24,726</b>	<b>\$ 24,200</b>	<b>\$ (526)</b>	<b>-2%</b>
Hunt Boyer Mansion	\$ 24,726	\$ 24,200	\$ (526)	-2%
<b>Other A&amp;G</b>	<b>\$ 340,955</b>	<b>\$ 493,950</b>	<b>\$ 152,995</b>	<b>31%</b>
Development - New Members	\$ -	\$ 23,100	\$ 23,100	100%
Strategic Plan Implementation	\$ 25,279	\$ 132,000	\$ 106,721	81%
PG&E Data Fees	\$ 198,748	\$ 253,000	\$ 54,252	21%
Insurance	\$ 32,340	\$ 10,450	\$ (21,890)	-209%
Banking Fees	\$ 84,588	\$ 75,400	\$ (9,188)	-12%
<b>Miscellaneous Operating Expenses</b>	<b>\$ 2,311</b>	<b>\$ 6,600</b>	<b>\$ 4,289</b>	<b>65%</b>
<b>Contingency</b>	<b>\$ -</b>	<b>\$ 220,000</b>	<b>\$ 220,000</b>	<b>100%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 69,956,442</b>	<b>\$ 71,760,050</b>	<b>\$ 1,803,608</b>	<b>3%</b>
Interest on RCB loan	\$ 15,001	\$ 16,900	\$ (1,899)	-11%
Interest Expense - Bridge Loan	\$ -	\$ 40,000	\$ (40,000)	-100%
<b>NET INCOME</b>	<b>\$ 17,396,871</b>	<b>\$ (71,738,450)</b>	<b>\$ 89,135,321</b>	<b>-124%</b>

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 8

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To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: January 11, 2024

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Please find attached Keyes & Fox’s December 2023 Regulatory Memorandum dated January 3, 2024 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

**Attachment:** Keyes & Fox Regulatory Memorandum dated January 3, 2024.

# Valley Clean Energy Alliance

## Regulatory Monitoring Report

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To: Valley Clean Energy Alliance (VCE) Board of Directors

From: Sheridan Pauker, Partner, Keyes & Fox LLP  
Tim Lindl, Partner, Keyes & Fox LLP  
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Update

Date: January 3, 2024

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Keyes & Fox LLP and EQ Research LLC are pleased to provide VCE's Board of Directors with this informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC) over the past month.

### RPS Rulemaking

**Background:** This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, aspects of the new Voluntary Allocation/Market Offer (VAMO) process, and other tariffs for the purchase of renewable energy.

**Recent Developments:** On December 21, the CPUC issued [D.23-12-008](#) on Draft 2023 RPS Procurement Plans that accepts VCE's Updated Draft 2023 RPS Procurement Plan, filed in August, as a final version without any changes or corrections.

**Analysis:** Since VCE's Updated Draft 2023 RPS Procurement Plan was not identified as requiring any corrections or modifications in the Decision, no revised final version needs to be filed.

**Next Steps:** A successor RPS docket is expected to be opened in the next few months.

**Additional Information:** [D.23-12-008](#) (Dec. 21, 2023); ALJ [Ruling](#) (Nov. 29, 2023); [D.23-10-006](#) (Oct. 18, 2023); PG&E [VAMO Report](#) (Sep. 28, 2023); VCE [Updated Draft 2023 RPS Procurement Plan](#) (Aug. 29, 2023); VCE's [Amended Final 2022 RPS Procurement Plan](#) (May 2, 2023); [Scoping Memo](#) (Apr. 6, 2022); Docket No. [R.18-07-003](#).

### Demand Flexibility

**Background:** This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and the proceeding may also modify, consolidate, or eliminate existing dynamic rate pilots. VCE is a party to this proceeding as its scope relates to VCE's AgFIT dynamic rates Pilot. Phase 1-Track A will establish an income-graduated fixed charge for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and is now considering broad expansion of VCE's AgFIT Pilot.

**Recent Developments:** On December 15, the CPUC issued a [Proposed Decision](#) that would expand the AgFIT and other pilot programs. On December 18, the ALJ issued a [Ruling](#) on implementation budget and timing issues regarding Track A income-graduated fixed charges. The Ruling directs the IOUs to file additional information about the proposed budgets for implementing the first income-graduated fixed charges and invites party comments on the timing of implementation of the first income-graduated fixed charges. On January 2, PG&E submitted the mid-term [evaluation](#) of VCE's Agricultural Pumping Dynamic Rate Pilot as required under D. 21-12-015.

**Analysis:** The Proposed Decision would expand the AgFIT pilot to extend customer participation in the pilot through the end of December 2027 throughout PG&E's distribution territory and without a participation cap, but includes new eligibility criteria that could restrict the expansions. VCE would retain authority to manage the expanded pilot for its agricultural customers, and the Proposed Decision would provide funding for a portion of the administrative costs estimated by VCE. PG&E would manage the expanded pilot outside of VCE territory and within VCE territory with respect to end uses other than agriculture. In Track A, the gradual move towards IGFCs will provide additional time for consideration and analysis prior to full implementation of this novel approach to aligning the structure of retail electric rates with utility cost structures while recognizing the importance of access to affordable electricity and ensuring that the changes to rate structures does not disproportionately harm large numbers of ratepayers. The ALJ Ruling requested comment on issues related to potentially delayed implementation and the resulting potential impacts on meeting state electrification goals.

**Next Steps:** Comments on the Proposed Decision are due January 5 and reply comments are due January 12. The Proposed Decision may be heard as early as the January 25 Commission meeting. Party comments on the timing of



implementation of the first income-graduated fixed charges are due January 24 and reply comments are due February 12. In Track A, a proposed decision on income-graduated fixed charges is expected in March or April of 2024.

**Additional Information:** Mid-term [Evaluation](#) of AgFIT Pilot (Jan. 2, 2024); ALJ [Ruling](#) (Dec. 18, 2023); [Proposed Decision](#) (Dec. 15, 2023); VCE [Pilot Budget Information](#) (Oct. 13, 2023); ALJ [Ruling](#) (Aug. 25, 2023); ALJ [Ruling](#) (Aug. 22, 2023); ALJ [Ruling & Staff Proposal](#) (Aug. 15, 2023); [D.23-04-040](#) on electric rate design principles (May 3, 2023); [D.23-04-008](#) (Apr. 14, 2023); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

## IRP Rulemaking

**Background:** This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, and ongoing reliability obligations.

**Recent Developments:** On December 19, the CPUC issued [D.23-12-014](#) granting the [Petition for Modification](#) (PFM) of [D.22-05-015](#) (MCAM decision) filed jointly by San Diego Clean Power and Clean Energy Alliance on October 28, 2022. The Decision allows LSEs to purchase additional resource adequacy capacity with the same provisions as detailed in [D.22-05-015](#) for load being served based on the 2023 resource adequacy year-ahead load forecast rather than the actual load being served at the time [D.22-05-015](#) was issued, beginning for the 2025 resource adequacy showings and continuing through the life of the contracts. On December 19, PG&E submitted [AL 7105-E](#) in support of its recommendation to not hold another Voluntary Allocation and Market Offer (VAMO) process for its RPS-eligible resources.

**Analysis:** The Decision increases the amount of RA capacity available for purchase from IOUs and should provide some reduction in the RA supply/demand imbalance, as well as lower total RA costs for LSEs with customers that departed CCA service after 2019. PG&E's recommendation to not hold another VAMO process will not significantly impact VCE's procurement.

**Next Steps:** A proposed decision on the May 30 Petition for Modification regarding long lead-time resource compliance deadlines is expected soon. A staff proposal on the Reliable and Clean Power Procurement Plan was expected to be released during the third quarter but has been delayed. The final PSP portfolio and other procurement obligations will be finalized in early 2024 for LSE use in preparing 2024 IRP filings. VCE's next IRP will be due in November 2024.

**Additional Information:** PG&E [AL 7105-E](#) (Dec. 19, 2023); [D.23-12-014](#) (Dec. 19, 2023); ALJ [Ruling](#) and [Supporting Material](#) (Oct. 5, 2023); [Scoping Memo and Ruling](#) (Aug. 21, 2023); [Joint Expedited Petition for Modification](#) (Aug. 9, 2023); [Petition for Modification](#) (May 30, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); [D.22-05-015](#) (May 23, 2022); [D.21-06-035](#) (Jun. 30, 2021); [Scoping Memo](#) (Sep. 24, 2020); Docket No. [R.20-05-003](#).

## RA Rulemaking (2025-2026)

**Background:** This proceeding considers resource adequacy (RA) requirements for LSEs and will address the 2025 and 2026 RA compliance years, local RA procurement obligations for the 2025-2028 compliance years, and further development of the 24-hour Slice-of-Day (SOD) framework.

**Recent Developments:** On December 18, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) in the 2025-2026 RA proceeding. The proceeding will focus on implementing RA program reforms and further refining the RA program, and the proceeding is divided into three tracks. Track 1 will focus on priority issues including RA capacity requirements, SOD framework implementation, and RA compliance and penalties. Track 2 is focused on Central Procurement Entity framework issues, including potential structural modifications, and Track 3 is focused on remaining RA capacity issues.

**Analysis:** The 2024 RA year is the final year of the current RA system and the test year for the SOD RA system that will formally begin with the 2025 RA year. The proceeding begins with consideration of priority issues necessary for the implementation of the SOD framework for the 2025 RA year which are expected to be finalized by June 2024. The compressed timeframe will leave only a limited amount of preparatory time for any needed changes to contracts or other resource procurement, but among the priority issues are potential modifications to RA compliance requirements and penalties. Other topics to be explored include potential modifications to the Loss of Load Expectation Study and Planning Reserve Margin, potential modifications to the SOD framework, and potential modifications to the RA penalty structure, among other issues.

**Next Steps:** Party proposals on the Loss of Load Expectation Study and the SOD framework, as well as Track 1 issues (including proposals related to penalties and/or compliance) are due January 19. An Energy Division staff report on the SOD Framework is due February 1 and will be followed by a workshop on February 14 and revised SOD framework proposals are due February 23. Comments on proposals are due March 8 and reply comments are due March 22. Track 2 begins with an Energy Division report on the CPE framework expected in the first quarter of 2023.

**Additional Information:** [Scoping Memo and Ruling](#) (Dec. 18, 2023); Cal CCA [Opening Comments](#) on OIR (Nov. 8, 2023); ALJ [Ruling](#) (Oct. 27, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

## RA Rulemaking (2023-2024)

**Background:** This proceeding considers resource adequacy (RA) requirements in years 2023-2024 for LSEs and introduced the Central Procurement Entity (CPE) to ensure grid reliability and sufficient capacity. The proceeding is divided into an implementation track and a reform track.

**Recent Developments:** [D.23-12-038](#), issued December 18, denied CalCCA's and the Joint Parties' motions for rehearing of D.23-06-029, which prohibited any CCA or electric service provider (ESP) with a deficiency of greater than 1 percent of its System RA requirement on a month ahead RA filing during the previous two calendar years from expanding its operations or taking on any new customers for the following year.

**Analysis:** No significant changes were made to the RA templates or filing guide for the 2024 RA year.

**Next Steps:** D.23-06-029 closed the proceeding, but it was reopened to address the Petitions for Modification and Applications for Rehearing.

**Additional Information:** [D.23-12-038](#) (Dec. 18, 2023); CLECA [Petition for Rehearing](#) (Aug. 24, 2023); Demand Response providers' [Application for Rehearing](#), [Joint Motion for Rehearing](#), [Motion for Partial Stay](#) (Aug. 4, 2023); CalCCA [Application for Rehearing](#) of D.23-06-029 (Jul. 26, 2023); [D.23-06-029](#) (Jul. 5, 2023); [D.23-04-010](#) on Reform Track Phase 2 (Apr. 7, 2023); [D.22-12-028](#) (Dec. 19, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

## Microgrids

**Background:** This proceeding was opened to implement the requirements of SB 1339 (Stern, 2018), requiring the commercialization of microgrids for distribution customers of the large IOUs. The initial three tracks have concluded, and Track 4 and Track 5 address the establishment of a Microgrid Incentive Program (MIP), potential contributions that microgrids can make to mitigating capacity shortages in the near-term, the development of a multi-property microgrid framework, and examination of the value of resiliency from microgrids.

**Recent Developments:** On December 15, some parties submitted their community multiproperty microgrid tariff proposals. The Microgrid Resources Coalition [proposal](#) recommends modifications that support commercialization of microgrids such as allowing multi-property microgrids to use their own internal distribution system, providing compensation to customers of the microgrid for their investment, and increased opportunities for microgrids to sell services to the grid at competitive prices. The Green Power Institute [proposal](#) also focuses on commercialization of microgrids, recommending an internal sales option and a "resilience avoided cost" option as compensation mechanisms. The Clean Coalition [proposal](#) recommends adoption of the Resilient Energy Subscription approach which allows any facility within the footprint of a Community Microgrid to pay a simple (\$/kWh) fee on top of its normal electricity tariff for guaranteed daily delivery of locally generated renewable energy during grid outages, ensuring unparalleled energy resilience. On December 26, PG&E submitted supplemental [AL 7042-E-A](#) proposing modifications to its Community Microgrid Enablement Tariff and Pro Forma of Microgrid Operating Agreement (MOA). PG&E submitted this supplement Advice Letter with the form of the MIP Grant Agreement, separate from the MOA, to address both the payment of MIP incentives and allowances to eligible projects and the MIP-specific remedies that will apply in the event that a MIP project fails to meet performance requirements.

**Analysis:** Among the modifications proposed in PG&E's supplemental advice letter are the addition of a requirement for a local or tribal government countersigner to the grant agreement, a series of incentive payments based on completion of performance steps, and conditions for linking performance across the grant agreement and the MOA. These modifications were proposed in an effort to protect and limit ratepayer exposure in the event of a microgrid non-performance event.

**Next Steps:** Protests to PG&E's supplemental advice letter are due January 15. Opening comments on other stakeholders' multi-property tariff proposals are due January 12 and reply comments are due January 26. Energy Division will host a public workshop on stakeholders' tariff proposals in March 2024. The Joint Application for Rehearing is pending.

**Additional Information:** PG&E [AL 7042-E-A](#) (Dec. 26, 2023); Microgrid Resources Coalition [proposal](#), Green Power Institute [proposal](#), Clean Coalition [proposal](#) (Dec. 15, 2023); ALJ [Ruling](#) (Nov. 7, 2023); Joint Parties' [Motion](#) (Oct. 31, 2023); ALJ [Ruling](#) (Oct. 23, 2023); PG&E [MIP Handbook](#) (Oct. 12, 2023); PG&E [AL 7042-E](#) (Oct. 11, 2023); IOUs' updated [Tariff](#) (Oct. 9, 2023); CPUC [letter](#) (Sep. 5, 2023); ALJ [Ruling](#) (Aug. 8, 2023); [Scoping Memo and Ruling](#) (Jul. 18, 2023); [Draft Resolution M-4868](#) (Jun. 9, 2023); [Joint Application for Rehearing](#) (May 15, 2023); [D.23-04-034](#) on Microgrid Incentive Program Implementation (Apr. 14, 2023); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

## PG&E 2023 Phase 1 GRC

**Background:** Phase 1 General Rate Case (GRC) proceedings set PG&E's revenue requirement, including functionalizing costs into categories such as electric distribution or generation, and impact the costs recovered through rates from customers (e.g., bundled, unbundled, or both) for a set period (in this case, 2023-2026).

**Recent Developments:** On December 22, the Assigned Commissioner issued a [Third Amended Scoping Memo and Ruling](#) that amends the [Second Amended Scoping Memo and Ruling](#) (issued October 10) in PG&E's Phase 1 general rate

case. This ruling adjusts the scope and schedule of Phase 2 of the proceeding to include requirements of SB 410 related to the establishment of an electric vehicle-related energization ratemaking mechanism.

**Analysis:** The expanded portion of this scope will determine aspects of the energization ratemaking mechanism such as whether there should be an annual cap and how such a cap should be determined, approaches to implementation of related auditor requirements, and what costs were not already included in PG&E's 2023 general rate case forecasts.

**Next Steps:** Intervenor testimony is due January 30, a pre-hearing conference is expected in early February, and a proposed decision is expected late in the second quarter of 2024.

**Additional Information:** [Third Amended Scoping Memo and Ruling](#) (Dec. 22, 2023); [D.23-11-069 / Appendices](#) (Nov. 17, 2023); [Second Amended Scoping Memo and Ruling](#) (Oct. 10, 2023); [Illustrative rates](#) (Sep. 27, 2023); [Scoping Memo and Ruling](#) (Sep. 5, 2023); PG&E's [Amended Application](#) (Mar. 10, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

## PG&E 2024 ERRa Forecast

**Background:** The annual Energy Resource and Recovery Account (ERRa) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other nonbypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates.

**Recent Developments:** On December 18, the ALJ issued a [Ruling](#) setting a pre-hearing conference on Track 2 issues related to "Fixed Generation Costs"—the definition of which is itself subject to disagreement—on January 9, 2024. On December 19, the CPUC issued [D.23-12-022](#) on PG&E's 2024 ERRa Forecast.

**Analysis:** The Decision adopts a 12-month revenue requirement of \$2,711,285,000. For CCA customers, residential rates will decrease by \$0.0042/kWh, or -2.1%; CARE rates will decrease by \$0.0060/kWh, or -7.4%; and Non-CARE rates will decrease by \$0.0037/kWh, or -1.7%. The Proposed Decision also authorizes PG&E to recover the 2023 Incremental ERRa Trigger undercollection over a six-month period. On the CCAs' issues, the Commission approved PG&E's proposal to apply excess Renewable Energy Credits from prior years towards its forecast 2024 Minimum Retained RPS shortfall; charge bundled customers for those RECs at the 2024 RPS Adder; and credit PABA vintage for those RECs at the 2024 RPS adder and approved the application of prior year excess RECs on a first-in first-out basis beginning with RECs generated in 2018.

**Next Steps:** A pre-hearing conference on the outstanding issue of "Fixed Generation Costs" in Track 2 is scheduled for January 9.

**Additional Information:** [D.23-12-022](#) (Dec. 19, 2023); ALJ [Ruling](#) (Dec. 18, 2023); ALJ [Ruling](#) (Nov. 20, 2023); PG&E [AL 7066-E](#) (Nov. 15, 2023); PG&E [October Update](#) (Oct. 16, 2023); ALJ [Ruling](#) (Oct. 9, 2023); [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRa Trigger PG&E [Reply to Protest](#) (Aug. 15, 2023); ERRa Trigger CalCCA [Protest](#) (Aug. 10, 2023); [Scoping Memo and Ruling](#) (Aug. 3, 2023); ALJ [Ruling](#) (Aug. 1, 2023); ERRa Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRa Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

## PG&E 2020 ERRa Compliance

**Background:** The annual ERRa Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. Phase 1 of this proceeding concluded in April 2022 with issuance of [D.22-04-041](#) approving a settlement agreement. Phase 2 issues related to unrealized sales and revenues resulting from PG&E's Public Safety Power Shutoff (PSPS) events in 2020 are under consideration.

**Recent Developments:** On December 19, the CPUC issued [D.23-12-019](#) closing the proceeding without addressing Phase Two issues, finding that the Phase 2 issues related to recovery of uncollected revenue during PSPS events are nearly identical to the 2019 ERRa proceeding.

**Analysis:** N/A

**Next Steps:** N/A

**Additional Information:** [D.23-12-019](#) (Dec. 19, 2023); ALJ [Ruling](#) (Oct. 10, 2023); [D.22-08-009](#) extending statutory deadline (Aug. 11, 2022); [Scoping Memo and Ruling](#) (Jun. 21, 2021); [Application](#) (Mar. 1, 2021); Docket No. [A.21-03-008](#).

## PG&E 2021 ERRa Compliance

**Background:** The annual ERRa Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

**Recent Developments:** Opening briefs were filed December 7 and reply briefs were filed December 21.

**Analysis:** N/A

**Next Steps:** A proposed decision is expected by early 2024.

**Additional Information:** ALJ [Ruling](#) (Nov. 9, 2023); ALJ [Ruling](#) (Sep. 27, 2023); [ALJ Ruling](#) on schedule (Jan. 6, 2023); Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRR Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

## PG&E 2022 ERRR Compliance

**Background:** The annual ERRR Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

**Recent Developments:** No recent development in the past month.

**Analysis:** N/A

**Next Steps:** A status conference is scheduled for January 11 and the evidentiary hearing is scheduled for January 24-25.

**Additional Information:** ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRR Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

## Transportation Electrification

**Background:** This rulemaking implements transportation electrification (TE) programs, tariffs, and policies. [D.22-11-040](#) established a \$1 billion rebate program for behind-the-meter EV charging equipment, focused on medium-duty/heavy-duty vehicles and disadvantaged communities and a \$25 million pilot program for innovative, equity-focused TE programs administered by CCAs and community-based organizations.

**Recent Developments:** On December 13, the ALJ issued a [Ruling](#) suspending the deadline for the IOUs' submission of the Joint Tier 2 Advice Letter updating the IOUs' average service energization timeline target, as ordered in Resolution E-5247. Further information on the new deadline will be provided in January. Responses to the Petition for Modification (filed November 17) were submitted on December 18. On December 20, the CPUC issued the [OIR](#) establishing R.23-12-008 Rulemaking Regarding TE Policy Infrastructure 2024 (described below) and closing R.18-12-006.

**Analysis:** The PFM's request to use the SAPC would preserve price signals by allocating costs to customer classes using the same percentage change rather than a fixed price amount, thereby maintaining proportionality of costs among customer classes.

**Next Steps:** The program administrator contract was delayed pending the clarification on contracting requirements provided in D.23-11-009. The Vehicle-Grid Integration Forum is delayed until the first quarter of 2024. The successor proceeding is R.23-12-008.

**Additional Information:** ALJ [Ruling](#) (Dec. 13, 2023); [Petition for Modification](#) (Nov. 17, 2023); PG&E [AL 7071-E](#) (Nov. 17, 2023); PG&E [AL 7064-E](#) (Nov. 10, 2023); [D.23-11-009](#) (Nov. 9, 2023); IOUs [Workshop Report](#) (Oct. 31, 2023); [ALJ Ruling](#) (Oct. 24, 2023); PG&E [Semi-Annual Report](#) (Sep. 15, 2023); [Resolution E-5257](#) (Sep. 6, 2023); SCE's [Motion for Clarification](#) (Jun. 7, 2023); SCE's [Petition for Modification](#) (May 25, 2023); VCE's [Annual Vehicle-Grid Integration Report](#) (Mar. 15, 2023); [D.22-11-040](#) (Nov. 21, 2022); [Scoping Memo and Ruling](#) (May 2, 2019); Docket No. [R.18-12-006](#).

## NEW EV Rates & Infrastructure

**Background:** This rulemaking is the successor to [R.18-12-006](#) and will focus on issues related to 1) timely energization of electric vehicle (EV) charging, 2) transportation electrification grid planning to support charging infrastructure deployment, 3) deployment of behind-the-meter (BTM) charging infrastructure to support state goals, 4) vehicle-grid integration (VGI), and 5) ongoing transportation electrification policy development and collaboration.

**Recent Developments:** On December 20, the CPUC issued the [OIR](#) establishing a preliminary scope for R.23-12-008 Rulemaking Regarding TE Policy Infrastructure 2024 and closing R.18-12-006. On December 27, the ALJ issued a [Ruling](#) requesting comments on the joint IOU data assessments ([Attachment 1](#), [Attachment 2](#)) pursuant to D.22-11-040.

**Analysis:** This new proceeding will build on the transportation electrification efforts implemented in R.18-12-006, support continued implementation of the state's transportation electrification goals, and further integrate transportation into electric resource and grid planning.

**Next Steps:** Comments on the preliminary scope of the OIR are due January 19 and reply comments are due February 5. Comments on the joint IOU data assessments are due February 2 and reply comments are due February 16.

**Additional Information:** ALJ [Ruling](#) (Dec. 27, 2023); [OIR](#) (Dec. 20, 2023); Docket No. [R.18-12-006](#).

## Demand Response Programs (2023-2027)

**Background:** This proceeding addresses the IOUs' Demand Response (DR) Portfolio Applications required under [D.17-12-003](#) for the years 2023-2027.

**Recent Developments:** On December 20, the CPUC issued [D.23-12-005](#) on Phase 2 Demand Response (DR) Programs, Pilots, and Budgets for the years 2024-2027. The Decision does not address remaining Demand Response Auction Mechanism (DRAM) issues. The Decision finds that PG&E's proposed programs are cost effective and approves

a \$633 revenue requirement to be recovered through distribution rates for its increase in demand response programs from 495 MW in 2022 to over 1,000 MW in 2027. The Decision also directs PG&E to share enrollment information of Community Choice Aggregator (CCA) customers directly enrolled in PG&E's Emergency Load Reduction Pilot (ELRP) sub-groups A.1 and A.6 with the CCAs requesting such information for their customers.

**Analysis:** The Decision ensures the cost-effectiveness of DR program portfolios, clarifies issues with customer participation in two simultaneous DR programs, allows more responsive programs by permitting funding shifts among programs within an IOU's program portfolio, and supports continued DR program development, including CCAs' use of PG&E customer enrollment in these programs for planning. These changes will help ensure that the DR program becomes increasingly effective as experience is gained and will increase the overall value of DR as a dependable resource.

**Next Steps:** A proposed decision on the DRAM is expected in January 2024.

**Additional Information:** [D.23-12-005](#) (Dec. 20, 2023); ALJ [Ruling](#) (Aug. 24, 2023); [D.23-01-006](#) (Jan. 13, 2023); [Scoping Memo and Ruling](#) (Dec. 19, 2022); [D.22-12-009](#) (Dec. 6, 2022); [Ruling](#) consolidating Applications (May 25, 2022); PG&E [Application](#) (May 2, 2022); Docket No. [A.22-05-002](#).

## Building Decarbonization

**Background:** This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. The current Phase 3B will consider building decarbonization efforts regarding the reasonableness of modifying or ending electric line extension allowances, refunds, and discounts for "mixed-fuel" new construction (i.e., building projects that use gas and/or propane in addition to electricity).

**Recent Developments:** On December 21, the CPUC issued [D.23-12-037](#) resolving outstanding Phase 3B issues in an effort to reduce GHG emissions associated with energy use in buildings by eliminating electric line subsidies for all mixed-fuel new construction.

**Analysis:** The Decision removes incentives for the future use of fossil fuels in new construction and supports the transition to increased electricity use in lieu of new fossil fuel use in buildings.

**Next Steps:** The Proposed Decision is scheduled to be heard at the December 14 Commission meeting.

**Additional Information:** [D.23-12-037](#) (Dec. 21, 2023); [Amended Scoping Memo and Ruling](#) (Jul. 26, 2023); [D.23-02-005](#) (Feb. 3, 2023); [D.21-11-002](#) ([Appendices A-E](#)) Decision on Building Decarbonization Phase II (Nov. 9, 2021); [D.20-03-027](#) Establishing Building Decarbonization Pilot Programs (Apr. 6, 2020); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

## PG&E Asset Transfer

**Background:** This proceeding addresses PG&E's Application to transfer its non-nuclear generating assets to a new subsidiary, Pacific Generation, and sell up to 49.9% of its equity interest to third-party investors.

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** A proposed decision was expected by the end of 2023 but is delayed.

**Additional Information:** PG&E Response to [Pit River Tribe](#) and [Potter Valley Tribe](#) (Nov. 9, 2023); Motions for Party Status of [Potter Valley Tribe](#) and [Pit River Tribe](#) (Nov. 9, 2023); PG&E [Notice](#) (Jun. 8, 2023); ALJ [Ruling](#) (Mar. 30, 2023); [Scoping Memo and Ruling](#) (Jan. 20, 2023); PG&E [Application](#) (Sep. 28, 2022); Docket No. [A.22-09-018](#).

## Provider of Last Resort Rulemaking

**Background:** A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (PG&E currently serves in this role for VCE's territory). Phase 1 of this proceeding will address POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. Phase 2 will build on the Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** A proposed decision on CCA financial security requirement calculations was expected in October 2023 but has been delayed.

**Additional Information:** [Amended Scoping Ruling and Memo](#) (Jun. 19, 2023); [Joint Case Management Statement – Appendix](#) (May 26, 2023); PG&E [AL 6939-E](#) (May 10, 2023); [ALJ Ruling](#) and [Staff Proposal](#) (Jan. 6, 2023); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

## Utility Safety Culture Assessments

**Background:** This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC’s Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901.

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** There is no current procedural schedule for this proceeding.

**Additional Information:** ALJ [Ruling](#) (May 8, 2023); [Draft Resolution SPD-3](#) (Sep. 16, 2022); ALJ [Ruling](#) (Sep. 13, 2022); [Scoping Ruling](#) with procedural schedule (Apr. 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

## Wildfire Fund NBC 2024-2026

**Background:** This rulemaking will set the Wildfire Fund nonbypassable (NBC) charge for the years 2024 through 2026. This charge was established by Assembly Bill 1054 (Stats. 2019, ch. 79), and is a per-kilowatt-hour charge set annually based on the Fund’s revenue requirement request from the Department of Water Resources (DWR).

**Recent Developments:** No recent developments in the past month.

**Analysis:** N/A

**Next Steps:** The next 90-day Notice for the 2025 Wildfire NBC is expected in September 2024.

**Additional Information:** [D.23-11-090](#) (Dec. 4, 2023); [Revised Proposed Decision](#) (Nov. 22, 2023); ALJ [Ruling](#) and [90-day Notice](#) (Sep. 8, 2023); [Scoping Memo and Ruling](#) (May 22, 2023); [Order Instituting Rulemaking](#) (Mar. 21, 2023); Docket No. [R.23-03-007](#).

## Other Dockets

The following table identifies other tracked dockets that are closed or inactive.

Docket	Name	Status
<a href="#">R.17-06-026</a>	PCIA Rulemaking	The proceeding was closed by <a href="#">D.23-06-006</a> , but SCE filed a <a href="#">Petition for Modification</a> of D.23-06-006 on September 12 requesting clarification on certain points regarding the valuation of previously banked RECs.
<a href="#">I.15-08-019</a>	Investigation into PG&E Organization, Culture, and Governance	This proceeding was opened as part of an investigation into whether PG&E’s organizational culture and governance prioritize safety, and currently serves to monitor the progress of PG&E in improving its safety culture. On May 19, the CPUC issued <a href="#">D.23-05-009</a> adopting the Safety Policy Division’s <a href="#">Modified Staff Report</a> and closing the proceeding.
<a href="#">A.20-06-011</a>	PG&E Regionalization Plan	<a href="#">D.22-06-028</a> closed the proceeding. PG&E will continue to convene quarterly “town hall” meetings in each region and conduct broader meetings with the Regionalization Stakeholder Group.
<a href="#">A.20-10-011</a>	Commercial EV Real-Time Pricing Pilot	Opt-in enrollment for the real-time pricing export compensation pilot now begins in February 2024. <a href="#">D.23-07-003</a> closed the proceeding.

**VALLEY CLEAN ENERGY ALLIANCE****Staff Report – Item 9**

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TO: Board of Directors

FROM: Alisa Lembke, Board Clerk / Administrative Analyst

SUBJECT: Summary of Community Advisory Committee December 21, 2023 Meeting

DATE: January 11, 2024

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This report summarizes the Community Advisory Committee’s meeting held in person and via Zoom webinar on Thursday, December 21, 2023.

- A. Formation of 2024 CAC Task Groups.** CAC Members and Staff discussed possible needs of VCE for calendar year 2024. The CAC formed two task groups: 1) Legislative / Regulatory and 2) Programs & Outreach. The CAC agreed that other task groups may be formed as needed. Each task group was asked to prepare draft “Charges” outlining their goals and objectives. The draft “Charges” will be reviewed and discussed at the CAC’s January 2024 meeting.
- B. Received Power Procurement / Renewable Portfolio Standard (RPS) Update. (Information only, no staff report).** VCE Staff Gordon Samuel provided an update on VCE’s power procurement 2023 targets with actuals; reviewed resource map identifying renewable power projects; annual RPS position, including the production of two on-line power projects; and, the annual RPS position. The CAC discussed with Staff: energy curtailment, possible long-term solutions and/or incentives for Customers, price signals, such as AgFIT, and, the economics of charging from the grid or from a battery.
- C. Election of 2024 CAC Chair and Vice Chair (effective January 2024).** Congratulations to Rahul Athalye, representing City of Davis, and Dr. Keith Taylor, At Large, for the Chair and Vice Chair positions for 2024.

**VALLEY CLEAN ENERGY ALLIANCE**

**Staff Report – Item 10**

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**TO:** Board of Directors  
**FROM:** Rebecca Boyles, Director of Customer Care & Marketing  
**SUBJECT:** Quarterly Customer Participation Update (Information)  
**DATE:** January 11, 2024

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**RECOMMENDATION**

Receive and review the attached quarterly Customer Participation update reflecting the time period through December 31, 2023 (report dated 1/2/24).

Attachment: Quarterly Report - Customer Participation update



# Item 10 – Customer Participation Update

	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	NEM	Non-NEM
<b>VCEA customers</b>	28,196	20,423	2,542	10,871	62,032	54,103	5,999	9	1,921	13,205	48,827
<b>Eligible customers</b>	29,645	23,948	2,971	12,554	69,118	60,220	6,710	9	2,179	14,909	54,209
<b>Participation Rate</b>	95%	85%	86%	87%	90%	90%	89%	100%	88%	89%	90%

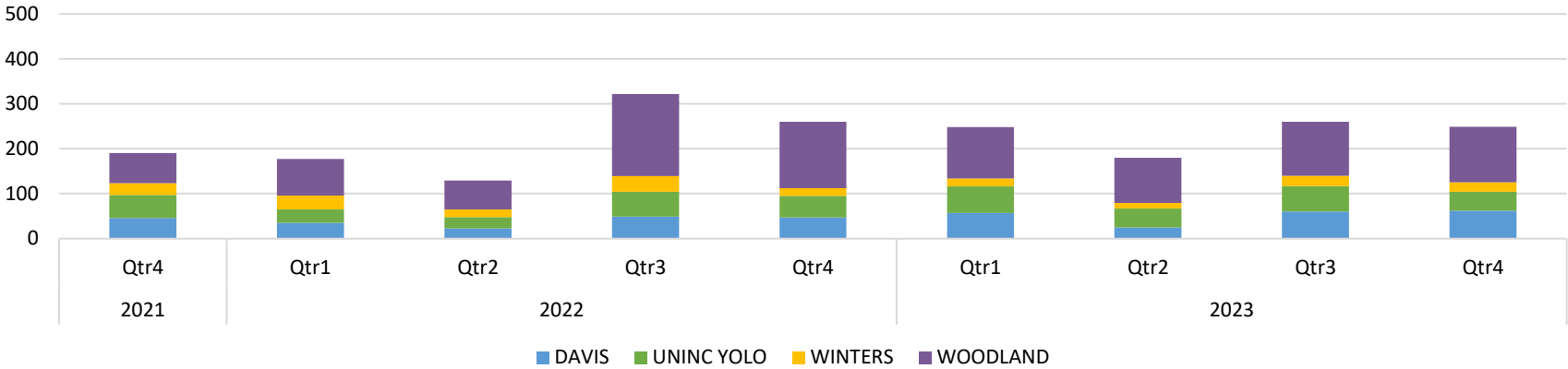
## % of Load Opted Out

	Davis	Woodland	Winters	Yolo Co	Total	Residential	Commercial	Industrial	Ag	Total
<b>% of Load Opted Out</b>	7%	11%	13%	11%	10%	10%	11%	0%	12%	10%
<b>% of Load Opted Up</b>	3%	1%	0%	1%	1%	1%	3%	0%	0%	1%

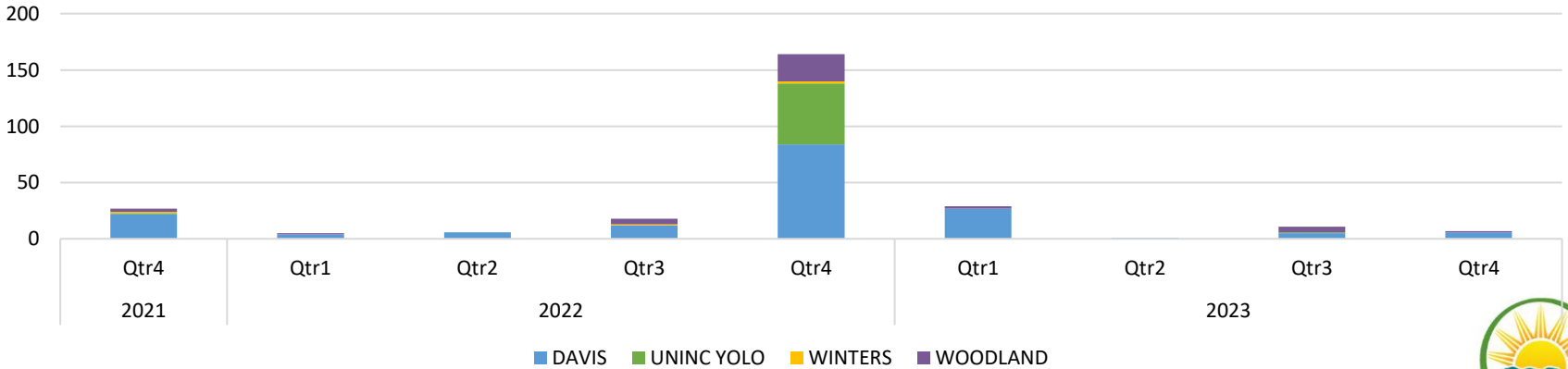


# Item 10 – Customer Participation Update

Quarterly Opt-Outs



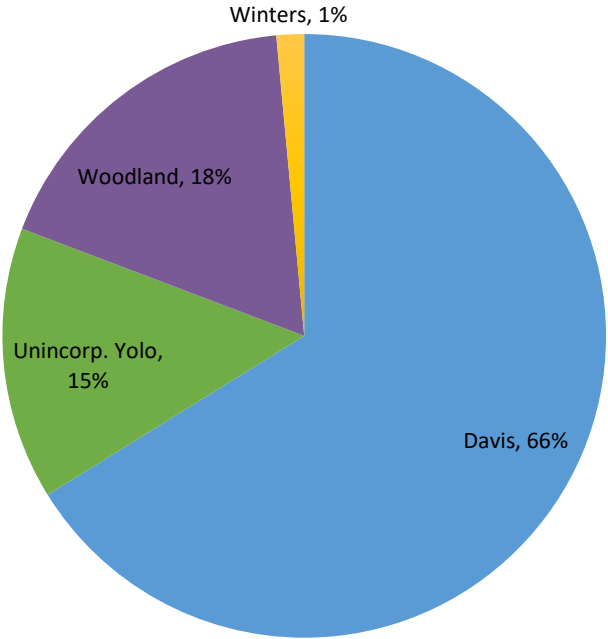
Quarterly Opt-Ups



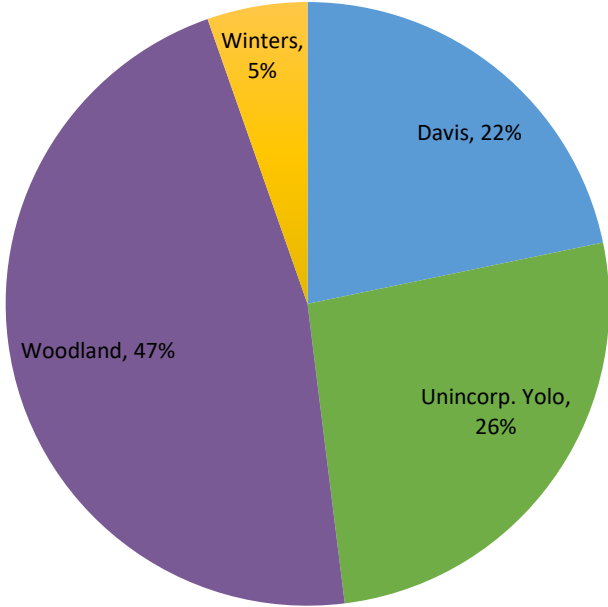
**VALLEY**  
CLEAN ENERGY

# Item 10 – Customer Participation Update

### 541 Opt-Ups



### 11,393 Opt-Outs



These pie charts are based on total opt-ups and opt-outs since launch. The percentages in the charts are the percentages of those opt-ups and opt-outs by TOT (town or territory).



**VALLEY**  
CLEAN ENERGY

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 11

**TO:** Board of Directors

**FROM:** Mitch Sears, Executive Officer  
Edward Burnham, Director of Finance & Internal Operations

**SUBJECT:** Update to Valley Clean Energy Employee Handbook (January 2024)

**DATE:** January 11, 2024

#### **Recommendation**

1. Adopt a resolution for updates to the VCE Handbook, as highlighted below and detailed in Attachment 1 - Employee Handbook (January 2024) Redline.

#### **Background & Discussion**

VCE's Employee Handbook includes policies and guidelines for human resources and benefits offered to employees. The VCE Employee Handbook is maintained to comply with the latest practices and remain competitive with compensation packages provided by other CCAs.

The Board adopted an Employee Handbook in January 2018 with an initial update in January 2019. The Handbook was updated on July 11, 2019, in coordination with legal counsel to maintain consistency with new laws and personnel requirements. Additional updates to the Employee Handbook were made annually to remain competitive.

Attachment 1 - Employee Handbook (January 2024) includes the following key updates (shown in redline highlights in the attachment) :

- Sick Leave (PG 34) grants regular employees the ability to accrue 10 days annually for a maximum of 20 days and part-time employees 3 days for a maximum accrued of 5 days.
- Holidays (PG 35) grants (2) floating annual holidays for a total of 12 holidays days annually.
- Medical contribution (PG 35-36) amounts to remain competitive and parity to market rates from 2,133.00 to 2,376.00 for insurance benefits.

Staff requests that the Board approve these changes detailed in the attached Employee Handbook (January 2024) redline to maintain best human resources practices and a competitive benefits package. The 2024 budget included an increased medical benefit to maintain employee medical coverage. VCE's legal counsel Richards Watson Gershon has reviewed and approved all changes in the attached updated Employee Handbook.

#### **Attachments**

1. Employee Handbook (January 2024) Redline
2. Employee Handbook (January 2024) Clean
3. Resolution 2024-XXX



**VALLEY**  
**CLEAN ENERGY**

# Employee Handbook

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**Updated in  
January 2024**

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## Welcome To Valley Clean Energy Alliance

DATE

Dear VCEA Employee:

**INSERT COVER LETTER HERE**

Sincerely,

Mitch Sears  
Executive Officer

## Introductory Policies

### Introduction & Future Revisions

We hope you will find your employment with Valley Clean Energy Alliance (“VCEA” or “Agency”) to be both rewarding and challenging. Our staff are key to VCEA’s success and we carefully select our new employees. This handbook is not a contract, express or implied, nor does it guarantee employment for any specific length of time.

The policies included in this handbook are guidelines only and are subject to change as VCEA deems appropriate. From time to time you may receive notice of new or modified policies, procedures, benefits, or programs. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

### Our Working Relationship

VCEA does not offer tenure or any other form of guaranteed employment. Either VCEA or the employee can terminate the employment relationship at any time, with or without cause, with or without notice. This is called Employment At Will. This employment at will relationship exists regardless of any other written statements or policies contained in this handbook or any other Agency documents or any verbal statement to the contrary.

No one except VCEA’s Executive Officer can enter into any kind of employment relationship or agreement that is contrary to the previous statement. To be enforceable, such relationship or agreement must be in writing, signed by the Executive Officer, approved by the VCEA Board.

### Open Communication Policy

At VCEA, courtesy, tact and consideration should guide each employee in relationships with fellow workers and the public. It is mandatory that each employee show maximum respect to every other person in the organization. The purpose of communication should be to help others and to make our business run as effectively as possible, thereby gaining the respect of our colleagues and customers.

### Equal Employment Opportunity

VCEA is an equal opportunity employer and makes employment decisions on the basis of merit and business need. VCEA’s policies prohibit unlawful discrimination based on race, color, religious creed, gender, pregnancy (or related medical condition), genetic information, genetic characteristics, gender identity, gender expression, religion, marital status, military or veteran status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is contrary to VCEA policy.

### Reasonable Accommodation.

When necessary under the California Fair Employment and Housing Act and the Americans with Disabilities Act, VCEA will reasonably accommodate an employee or applicant with a disability if the employee or applicant is otherwise qualified to safely perform all of the essential functions of the position.

We will make reasonable accommodations when requested to comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability. VCEA will engage in a timely, good-faith, interactive process to determine a reasonable accommodation, if any, in response to a request for reasonable accommodation by an employee or applicant with a known physical or mental disability or known medical condition. VCEA will consider all requests for accommodation, but retains discretion to determine what, if any, accommodation to provide.

### **Unlawful Harassment**

VCEA intends to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort - verbal, physical, or visual - will not be tolerated. This includes both sexual harassment as well as harassment based on an employee's status in a protected class. These classes include, but are not necessarily limited to race, color, religion, age, gender, genetic information, genetic characteristics, gender identity, gender expression, sexual orientation, pregnancy (or related medical condition), national origin or ancestry, disability, medical condition, marital status, veteran status, military status, or any other protected status defined by law. This policy also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy extends to unlawful harassment of VCEA employees by any other VCEA employees, vendors, independent contractors, customers, or others with whom employees may come into contact with during their work for VCEA.

Our workplace is not limited to our facilities, but may also include customer and vendor facilities, as well as anywhere a business-related function, or social function sponsored by VCEA, is taking place.

### **What Is Workplace Harassment?**

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes, social media communication, messages or statements, pranks, intimidation, physical assaults or contact, or violence. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint. In addition, this policy protects employees against conduct from all individuals in the workplace, such as fellow employees, supervisors, outside customers, vendors, independent contractors, or other non-employees who conduct business with our agency.

### **What Is Sexual Harassment?**

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature. When this conduct creates an offensive, hostile and intimidating working environment, it may prevent an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implied or stated and when an employment decision is based on an individual's acceptance or rejection of such conduct.

It is important to note that harassment crosses age and gender boundaries and cannot be stereotyped. Among other perceived unconventional situations, sexual harassment may involve two women or two men. Harassment

may exist on a continuum of behavior. For instance, one example of harassment may be that of an employee showing offensive pictures to another employee.

Generally, two categories of harassment exist. The first, "quid pro quo," may be defined as the demand for sexual favors in exchange for improvement or continuance in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment," can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or verbal or other conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment include, but are not limited to, pictures, cartoons, symbols, or items found to be offensive. An employee may have a claim of harassment even if he or she has not lost a job or other economic benefit.

### **Responsibility**

All VCEA employees, and particularly supervisors, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor, the Executive Officer or a management representative with whom they feel comfortable. When supervisors become aware of the existence of conduct that could violate this policy, they are obligated to take prompt and appropriate action, whether or not the recipient of the harassment wants VCEA to do so.

### **Reporting**

If you believe you have been harassed by any agency employee, customer, contractor, or other business contact, you are required to report it to your supervisor or any other member of management. While we encourage you to communicate directly with the alleged harasser, and make it clear that the harasser's behavior is unacceptable, it is not required that you do so. It is essential, however, to notify a member of management immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment must be immediately reported. At any time if you feel that you are in immediate harm and do not have time to contact either the Executive Officer or your supervisor, seek assistance from any management representative.

Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated. However, confidentiality cannot be guaranteed. Any employee found to have harassed any employee will be subject to severe disciplinary action up to and including termination. VCEA will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

All employees must report any incidents immediately so that complaints can be quickly and fairly resolved. The California Department of Fair Employment and Housing ("DFEH") investigates and may prosecute complaints of harassment. Whenever an employee thinks he or she has been harassed or that he or she has been retaliated against for resisting or complaining, that employee may file a complaint with the DFEH. The nearest DFEH office is listed in the telephone book or on-line.

### **Harassment and Retaliation Prohibited**

VCEA prohibits any form of harassment on a protected basis that impairs an employee's working ability or emotional well-being at work. VCEA also prohibits any employee from retaliating in any way against anyone

who has raised any concern about harassment or discrimination against another individual. We will investigate any complaint of harassment, discrimination, and retaliation and will take immediate and appropriate disciplinary action if any such conduct has been found within the workplace.

## Employment Policies and Practices

### Classification of Employees

A new hire will be classified as either “exempt” or “non-exempt.”

Non-exempt employees are entitled to overtime pay for hours worked in excess of forty (40) hours per workweek.

Exempt employees are those employees whose duties and responsibilities allow them to be “exempt” from provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred, or promoted. Participation in VCEA’s benefits programs may be affected by your employment status or classification.

All employees of VCEA whether exempt, non-exempt, full-time, part-time, or temporary are employed at-will.

1. The EXEMPT status applies to certain administrative, professional, and executive staff. Exempt employees qualify for exemption from overtime regulations under state and federal law and their salaries already take into account that they may work long hours.
2. The NON-EXEMPT status applies to all other regular employees. Non-exempt employees receive extra pay for overtime work (as described in the overtime section of this employee handbook). Employees working in non-exempt positions are compensated for the actual amount of time spent on their job and are entitled to receive time and one-half (1 ½) their regular rate of pay for each hour worked in excess of forty (40) hours in a work week.
3. FULL-TIME employees work on a regular basis for at least 40 hours per week. Full-time employees may or may not be EXEMPT. They are eligible for all benefits available through work at VCEA, so long as they meet the applicable requirements, such as length of service.
4. PART-TIME employees are regularly scheduled to work fewer than 40.0 hours per week. Part-time employees who are regularly scheduled to work a minimum of 30 hours per week are entitled to all benefits as explained later in this employee handbook according to a prorated formula based on their average hours worked compared to a standard 40.0 hour workweek. Part-time employees who are regularly scheduled to work less than 30 hours per week are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the Executive Officer.
5. TEMPORARY EMPLOYEES are hired with the understanding that their employment will not continue beyond a stated date or beyond completion of a specified project or projects. Temporary employees will generally not be employed for more than 6 months. Temporary employees are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the Executive Officer.

6. INTERNS are employees who are gaining supervised practical experience in a professional field. Interns may be paid, but are not eligible for any benefits listed in this employee handbook except as required by law.

### **Recruitment**

VCEA will conduct an appropriate recruitment, depending on the needs of the organization and the position involved. Open positions may or may not be posted to solicit outside candidates. If you are aware of a vacancy and are interested in being considered for the position, you should discuss the matter with your current supervisor.

### **Rehired/Converted Employees**

If you meet eligibility requirements for rehire at the time of your separation from VCEA, you may apply for any open position for which you are qualified. Former employees will be considered along with all other applicants, and have no greater chance of being selected for employment than all other applicants.

If you are rehired by VCEA or convert from part-time to full-time status, your length of service with VCEA for all purposes will be calculated from the rehire date or the date of conversion to full-time status.

Employees who are involuntarily terminated for performance reasons or for violation of agency policy are ineligible for rehire. In addition, employees who voluntarily resign may still be ineligible for re-hire if VCEA learns of circumstances that would have justified termination for performance-based reasons regardless of when that information is acquired.

### **Job Duties**

Your supervisor will explain your job responsibilities and the performance standards expected of you. Your job responsibilities may change at any time during your employment; for example you may be asked to work on special projects or to assist with other work necessary or important to the operation of VCEA. It is expected that VCEA will have your cooperation and assistance in performing such additional work.

VCEA also may, at any time, with or without notice, alter or change your job responsibilities, reassign or transfer your position, or assign you additional job responsibilities depending on business needs.

### **Work Schedules**

VCEA's normal business hours are 8:00 a.m. through 5:00 p.m., Monday through Friday. Your supervisor will assign your individual work schedule, and you are expected to be ready to perform your work at the start of your scheduled shift. Flexible work schedules and telecommuting may be accommodated with the approval of your supervisor. Alternative work arrangements are not an entitlement or employee benefit. A supervisor may end the arrangement at any time for any reason or without cause. All changes to normal working hours, flexible work schedules, and telecommuting arrangements should be documented with your supervisor and HR representative.

On occasion, work schedules may fluctuate with customer demand and business needs. If a change in your work schedule is required, your supervisor will notify you at the earliest opportunity. You may be required to work

overtime or hours other than those normally scheduled. Exempt employees are required to work as many hours as are necessary to complete the responsibilities of their positions.

### **Personnel Records**

A personnel file will be confidentially maintained for each VCEA employee. You may review your personnel file during regular business hours upon making a request to the Executive Officer. An appointment will be made for the purpose of allowing the review.

VCEA will treat your personnel records as confidential and private. However, there are certain times when information may be given to a person outside VCEA. These include:

1. In response to a subpoena, court order, or order of an administrative agency;
2. To a governmental agency as part of an investigation by that agency of VCEA's compliance with applicable law;
3. In a lawsuit, administrative proceeding, grievance, or arbitration in which you and VCEA are parties;
4. In a workers' compensation proceeding;
5. To administer employee health benefit plans;
6. To a health care provider, when necessary;
7. To a first aid or safety personnel, when necessary; and
8. Information will be disclosed to prospective employers in accordance with the section on Employment Verification and References.

Please promptly notify the Executive Officer of any changes in your personal data. Keeping your file up-to-date can be important with regard to pay, deductions, benefits and other matters. Coverage or benefits that you and your family may receive under VCEA's benefits package could be negatively affected if the information in your personnel file is incorrect.

### **Inspection of Payroll Records**

Employees and former employees have the right to inspect and obtain copies of their own payroll records as required by applicable law. All requests must be submitted in writing to VCEA's Executive Officer. Responses will be provided as required by law. Individuals who make a request may be asked to provide identification and may be required to pay for the cost of making the copies.

### **Layoffs and Work Reductions**

VCEA may implement layoffs. Employees will be selected for layoff at VCEA's discretion based on a combination of factors, including, but not necessarily limited to: business needs, employee performance and productivity, qualifications, attendance, attitude, ability and willingness to work the required days and hours, and the ability to work cooperatively with others in the affected work unit.

The weight given to the above factors may vary depending upon the particular needs of the affected work unit and VCEA as a whole at the time of the layoff.

### **Employment Termination**

VCEA strives to ensure a smooth transition for employees leaving VCEA.

VCEA and its employees have an employment relationship that is known as “employment at will.” This means that employees are not required to work for VCEA for any set period of time nor is VCEA required to employ individuals for any specific length of time. **The statements made in this policy do not alter, modify or limit the employment at will relationship.** An “at-will” employee is subject to termination of employment at any time VCEA concludes it appropriate to do so.

Involuntary separation from service means that the termination action is being initiated by VCEA, rather than by the employee. In general, employees who are discharged by VCEA are not eligible for rehire. However, employees who are terminated due to layoff or restructuring may be eligible for rehire or recall at VCEA’s discretion.

VCEA will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from VCEA;
2. Fail to return from an approved leave of absence on the date specified by VCEA, or;
3. Fail to report to work or call in for 3 consecutive work days

In the event that you resign voluntarily, we ask – but do not require – that you provide two weeks’ notice to allow for a smooth transition and training of any replacement personnel.

All agency property such as office equipment, credit cards, keys, manuals, computer equipment, and cell phones must be returned on or prior to the last day of employment. You should return these items to your immediate supervisor.

Final wages for time worked, plus any pay for unused but accrued PTO, will normally be paid on your last day of employment, but no later than the next regularly scheduled payday.

### **Employment Verification and References**

When VCEA receives a request for references or employment verification, VCEA will disclose only the dates of employment and the title of the last position held. VCEA will provide a prospective employer with your last earned wage or salary only at your written request. VCEA will release additional information only with a signed authorization and waiver of liability in a form acceptable to VCEA.

Only the Executive Officer is authorized to respond to requests for employee references and verification of employment. No other supervisor or employee is authorized to provide references for current or former employees.

As an employee of VCEA, all requests for information regarding another employee must be forwarded to the Executive Officer.



## Timekeeping and Attendance

### Punctuality and Attendance

Regular attendance and punctuality are “essential functions” of your job. You are expected to maintain regular attendance during all scheduled work hours, report to work on a timely basis, and work through the end of your regularly scheduled workday. Chronic absenteeism or lateness will not be tolerated and will result in discipline, up to and including termination. In the event of an unscheduled absence, please abide by the following:

- You must personally call your supervisor prior to the start of your shift if you are unable to report to work, or will be late to work, on any particular day.
- You are expected to advise another management representative of your absence if you are not able to reach your supervisor and leave a telephone number where you can be reached.
- You may not have a relative or friend call in to report your absence, unless you are unable to call yourself due to a medical or other emergency.
- If you call after the start of your shift you will be considered tardy for that day.
- You are expected to provide your supervisor with explanation of your absence or tardiness and inform your supervisor of the expected duration of the absence. If you are absent for medical reasons, you do not need to disclose the underlying medical condition.
- With the exception of certain extenuating circumstances, you must call in each day you are scheduled to work and will not report to work.

Repeated absenteeism or tardiness (whether excused or not) is not tolerated. Continuing patterns of absences, early departures, or tardiness - regardless of the exact number of days—may warrant disciplinary action, up to and including termination of employment. Emergency or extraordinary circumstances concerning an absence or tardiness will be considered, and we reserve the right to make an exception to this policy if, at our discretion, an exception is warranted. Repeated car failures, missing the bus, consistently failing to arrange back-up childcare or oversleeping do not constitute emergency or extraordinary circumstances. We reserve the right to determine what is considered excessive absenteeism. In all cases, we will make accommodations for qualified employees with disabilities where required by law.

If you fail to report for work for three (3) consecutive days without any notification to your supervisor, we will consider that you have abandoned your employment, and have resigned your position.

### Timekeeping Requirements for Non-Exempt Staff

Applicable law requires VCEA to keep an accurate record of time worked. Employee time records are official VCEA records and must be accurately maintained. You must input your own time at the start and at the end of each workday, and at the start and end of each lunch hour. Completing another employee’s time record or intentionally falsifying a time record is a serious violation and may result in immediate termination of employment. If a time record needs to be corrected, both you and your supervisor must initial the change in the time record to verify its accuracy.

### **Meal and Rest Periods for Non-Exempt Staff**

Employees will generally be provided with at least a 30-minute lunch break per day, which can be scheduled by your supervisor to best accommodate the workday.

### **Overtime Time Provisions for Non-Exempt Staff**

As necessary, you may be asked to work overtime. Only actual hours worked in a given workday or workweek will be counted in determining which hours constitute overtime. We will attempt to distribute overtime evenly and accommodate individual schedules. A supervisor must previously authorize all overtime work. Any overtime worked without prior authorization may be grounds for discipline. We provide compensation for all overtime hours worked by non-exempt employees as follows: All hours worked in excess of forty (40) hours in one workweek will be treated as overtime.

Hours worked for purposes of overtime do not include an unpaid meal period, or hours away from work due to PTO, sickness, holiday, jury duty, or other absences from work. No overtime compensation will be paid to exempt employees. Exempt employees may have to work hours beyond their normal schedules, as work demands require.

### **Make-Up Time for Non-Exempt Staff**

Make-Up time is defined as when a non-exempt employee asks his or her supervisor for additional time off to attend to personal matters. If the request is granted, this time off will be without pay. If you wish to make up this missed time, you may submit a "Make-Up Time Request Form" to your supervisor before the make-up time is worked. It is within the supervisor's discretion to grant the request. Make-Up time must be worked in the same workweek as the missed time (including prior to the missed time) in order not to incur overtime. You may not work over forty (40) hours total in the week including make-up time.

### **Exempt Employee Time Off**

Exempt employees of VCEA are paid a salary, which compensates them for working as many hours as required to complete their job duties. Exempt employees do not receive overtime pay. We realize, however, that in instances of extraordinary additional pressure or increased work hours, it may be appropriate for supervisors to recognize the exempt employee's efforts by granting the employee extra time-off separate from and in addition to the employee's accrued PTO time. In order to achieve consistency among supervisors and fairness to the exempt employees, supervisors should use the following guidelines when exercising their discretion to grant additional time off:

1. Limit the amount of additional time-off to no more than two days;
2. Require the employee to take the time-off in the week immediately following the increased hours whenever possible and;
3. Do not allow employees to accumulate any granted but unused time-off

### **Lactation Accommodation**

VCEA will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child. The break time shall, if possible, run concurrently with any break time already provided to the employee. VCEA shall provide the employee with the use of a room or other location, other than a toilet stall, in close proximity to the employee's work area, for the employee to express milk in

private. If special arrangements are made to provide a non-exempt employee extra time beyond her normal rest period, the time will be unpaid.

### **Payment of Wages**

Paydays are semi-monthly, the 15<sup>th</sup> and last day of the month. There are 24 pay periods in a year. The workday (a 24-hour, consecutive period) begins at 12:01 a.m. and ends at midnight. The workweek begins on Sunday and ends on Saturday.

If a regular payday falls on a weekend or holiday, you will be paid on the first day of work prior to the regularly scheduled payday. If there is an error on your check, please report it immediately to your supervisor.

For your convenience, we offer a direct deposit option.

### **Advances**

We do not permit advances against paychecks or against unaccrued PTO.

### **Payroll Deductions, Wage Attachments and Garnishments**

VCEA makes certain deductions from every employee's paycheck. Among these are applicable federal, state, and local income taxes, social security and Medicare taxes, state disability insurance contributions, and paid family leave contributions. By law, VCEA is also required to honor legal attachments and garnishments of an employee's wages or salaries. If your wages are attached, we will withhold the specified amount to satisfy the terms of the attachment.

### **Reporting Time Pay**

Reporting time pay will be paid under the following conditions:

1. Reporting time pay to non-exempt is owed when you report to work at your regularly scheduled time, but you are given less than half the usual or scheduled day's work. In this case, you will be paid for at least half of the hours you were scheduled to work, but never less than two hours pay, and never more than four hours pay.
2. Reporting time pay is also owed if you are required to report to work a second time in any one (1) workday and are given less than two (2) hours work on the second reporting. In this case you will receive at least two (2) hours pay for the second appearance.

These provisions do not apply if you are on a paid "standby" or "on call" status. In some instances, you may not receive reporting time pay. Reporting time pay does not apply if public utilities fail, such as water, gas, electricity, or sewer and/or when work is interrupted by an "act of God" or other causes not within VCEA's control.

### **Payment for Hours Worked During Business Travel for Non-Exempt Staff**

Whenever possible, non-exempt employees traveling on agency business are expected to do so during normal working hours. In the very rare instance where your travel time constitutes overtime, you will be paid overtime as required by law. Non-exempt employees will be paid for all hours worked, including out of town travel time, at regular and overtime pay rates according to the law. Pay for travel time may be at a rate of pay that is less than the employee's normal rate of pay.

If you are non-exempt and traveling on business, you will not be paid for time between work assignments; e.g., if you stay the night in a hotel, pay begins when you begin to work, or are in transit. Travel is to be scheduled in advance, in writing by your supervisor, with the knowledge of the Executive Officer.

Non-exempt travel may be approved on an as-needed basis, but only with prior authorization from your supervisor.

### **Pay for Mandatory Meetings for Non-Exempt Staff**

VCEA will pay you for your attendance at meetings, lectures and training programs if all of the following conditions are met:

1. Attendance is mandatory (i.e. required by VCEA).
2. The meeting, course, or lecture is directly related to your job.
3. You are notified of the necessity for such meetings, lectures, or training programs by your supervisor (i.e. pre-approval by management is required)

If you meet the above conditions you will be compensated at your regular rate of pay. If you are required to travel, then travel pay will be provided. You will not receive compensation for voluntary attendance in courses that are conducted outside of normal business hours and/or that are not directly related to your current job.

## **Standards of Conduct**

### **Professional Business Conduct and Ethics**

By accepting employment with VCEA, you have a responsibility to VCEA and to your fellow employees to adhere to certain codes of behavior and conduct. The purpose of these rules is to ensure that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our agency will be a better place for everyone to work.

Generally speaking, we expect you to act in a mature and responsible way at all times. VCEA values honesty in communication and personal responsibility. To avoid any possible confusion, some of the more obvious unacceptable activities are noted below. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please ask for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in disciplinary action up to and including immediate suspension or termination:

### **Unacceptable Activities:**

1. Generally, conduct which is disloyal, disruptive, or damaging to VCEA.
2. Falsification of timekeeping records.
3. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by VCEA; alteration of agency records or other agency documents.
4. Working under the influence of alcohol or illegal drugs, including marijuana.

5. Theft or inappropriate removal or possession of agency property or the property of fellow employees; unauthorized use of agency equipment and/or property for personal reasons.
6. Possession, distribution, solicitation, sale, transfer, or use of alcohol or illegal drugs, including marijuana, in the workplace, while on duty, or while operating agency-owned vehicles or equipment.
7. Fighting, threatening, or coercing fellow employees on agency property or during working hours, for any purpose.
8. Boisterous or disruptive activity in the workplace.
9. Negligence or any careless action leading to damage of agency-owned or customer-owned property or which endangers the life or safety of another person.
10. Obscene or abusive language toward any supervisor, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on agency premises.
11. Insubordination or other disrespectful conduct; refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment.
12. Violation of security or safety rules or failure to observe safety rules and/or practices; failure to wear required safety equipment; tampering with VCEA equipment or safety equipment.
13. Creating or contributing to unsanitary conditions in the workplace.
14. Smoking in prohibited areas.
15. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.
16. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
17. Excessive absenteeism; failure to report an absence or late arrival.
18. Unauthorized absence from work station during the workday; sleeping or loitering during working hours.
19. Unauthorized use of telephones, mail system, or other agency-owned equipment.
20. Originating, spreading, or taking part in malicious gossip or rumors about employees of VCEA.
21. Unauthorized disclosure of business "secrets" or confidential information; giving confidential or proprietary information to competitors or other organizations or to unauthorized VCEA employees; breach of confidentiality of personnel or agency information.
22. Violation of agency rules or policies; any action that is detrimental to VCEA's efforts to operate profitably.
23. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.
24. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on agency premises.
25. Gambling on agency property.
26. Failure to immediately report any damage or accident involving agency equipment or vehicles.
27. Failure or refusal to comply with the work schedule, including mandatory overtime.
28. Using, removing, or borrowing agency equipment or property without prior authorization.
29. The use of abusive or threatening language or actions toward anyone.

This list is not exhaustive. Rather, we ask that you keep in mind at all times the need to conduct yourself with reasonable and proper regard for the welfare and rights of all our employees and for the best interests of the agency. This statement of prohibited conduct does not alter VCEA's policy of at-will employment. Either you or

VCEA remains free to terminate the employment relationship at any time, with or without reason or advance notice.

### **Performance Evaluations**

VCEA encourages an open dialogue between an employee and his or her supervisor on an informal, regular basis. We believe this type of interaction increases job satisfaction for both the employee and VCEA.

Formal performance evaluations will be conducted annually or with frequency dependent on length of service, job position, past performance, changes in job duties, or recurring performance problems. After the review, you will be asked to sign the evaluation report to acknowledge that it has been presented to you and discussed with you by your supervisor, and that you are aware of its contents.

Positive performance evaluations do not guarantee increases in salary, bonuses, or promotions. Salary increases, bonuses, and promotions are solely within the discretion of VCEA, and depend upon many factors in addition to performance. Having your compensation reviewed does not necessarily mean that you will be given an increase.

VCEA uses a discretionary pay-for-performance compensation model to support the highest levels of organizational performance. The intent is to reward individual employee effort and results commensurate with their contributions and impact toward achieving the goals and objectives of the agency. The primary form of a performance reward is a merit increase. These base pay increases move an employee through their salary range and support the agency's retention goals by ensuring employee pay remains competitive with similar roles in the market. Employees who meet or exceed their goals and objectives, as evidenced by the employee receiving an overall rating of 2.0 (Effective) or higher on their year-end Performance Check-in, may be eligible to receive a merit increase (an adjustment in base salary) based on that performance. In limited cases, and with written justification from the supervisor, manager, and Director, an employee with an overall performance rating of less than 2.0 (Effective), may be considered for a reduced base salary.

Performance bonuses also may be used to reward employees when superior performance, as defined below, has been demonstrated in achieving goals and objectives. In most cases, performance bonuses are used to supplement merit increases, or instead of merit increases, when an employee is at or close to the top of their salary range. "Superior performance" is evidenced by an employee receiving a rating of 3.0 (Highly Effective) on one or more goals that, in total, represent at least 25% of the employee's assigned work during the year. "Superior performance" also may be evidenced by an employee receiving an overall rating of 2.5 or higher on their year-end Performance Check-in. Recommendations for performance bonuses must be justified in writing by the supervisor and/or manager and fully describe the efforts put forth by the employee that demonstrates superior performance.

The written justification, and approval of the bonus, are retained. Funding for performance bonuses is included in the annual budget or a budget amendment and approved by the Board of Directors. Performance bonuses are not guaranteed and may not be available due to budget constraints or other business reasons.

## **Compensation Equity**

A pay equity increase may be granted to an employee under certain circumstances, such as the following: a significant lag in salary exists relative to market conditions or between employees with comparable job functions who have similar levels of experience, skills and knowledge, and demonstrated performance; an employee's assigned functions or work tasks increase the scope of the position but do not warrant reclassification; salary compression exists between supervisors and their employees; in order to address retention of employees with highly specialized skills or due to competitive job markets. In addition, a discretionary agency-wide pay equity adjustment for inflation in accordance with the U.S. Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) may be made at the option of the Board of Directors.

Recommendations for pay equity increases are prepared by the Director of Finance and Internal Operations and must be approved by the Executive Officer. Employees approved for a pay equity increase will be notified, and adjustments may be paid retroactively to the first pay period of the current calendar year. Funding for pay equity increases is included in the compensation identified in the annual budget and approved by the Board of Directors. Pay equity increases are discretionary and may not be available due to budget constraints or other business reasons

## **Problem Resolution**

At some time, you may have a complaint or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints and questions are of concern to us. We ask that you take your concerns first to your supervisor, following these steps:

1. Bring the situation to the attention of your immediate supervisor who will then review your concern and provide a solution or explanation.
2. If the problem remains unresolved, you may present it in writing to the Executive Officer who will work towards a resolution.

This procedure, which we believe is important for both you and us, cannot result in every problem being resolved to your satisfaction. However, we value your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

## **Alcoholic Beverage Consumption**

Due to the high risk and liability involved, VCEA will not provide alcoholic beverages at social gatherings to VCEA employees. This policy applies to the following:

1. Birthday parties;
2. Office parties;
3. Office picnics; and
4. Recreational activities (i.e. organized team sports)

## **Drug and Alcohol Abuse and Testing**

VCEA is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. We comply with state and federal drug abuse regulations, including the Drug-Free Workplace Act of 1988. Use of these illegal substances (whether illegal under California or federal law) whether on or off the job can adversely affect your work performance, efficiency, and safety and health. The use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees, and exposes VCEA to the risks of property loss or damage, or injury to other persons. Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect your job performance and seriously impair your value to us. Any employee who is using prescription or over-the-counter drugs that may impair your ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work. All precautions necessary to preserve your privacy will be taken. You must adhere to the rules stated in this policy as a condition of employment. Failure to comply with this policy may result in discipline, including termination. The Executive Officer has been designated to administer this policy, monitor the program and make reports as required by law.

If there is ever a reasonable basis to suspect you of violating the drug and alcohol policy and being under the influence during working hours, you will be requested to immediately submit to a drug and/or alcohol test. Suspicion will be based on objective symptoms, such as factors related to your appearance, behavior and speech. A reasonable basis may also exist if you are found to be in possession of illegal drugs, alcohol or paraphernalia connected with the use of an illegal drug. Possession of illegal drugs or alcohol is prohibited even if you have not used these substances.

The following rules and standards of conduct apply to all employees either on agency property, or during the workday (including meals and rest periods). The following are strictly prohibited by VCEA:

1. Possession or use of alcohol or illegal drugs, including marijuana, or being under the influence of alcohol or illegal drugs while on agency premises or at any time on duty.
2. Driving an agency vehicle or driving for agency business in a private vehicle while under the influence of alcohol or illegal drugs, including marijuana.
3. Distribution, sale, or purchase of an illegal or controlled substance while on agency premises or at any time on duty.
4. Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on agency premises or at any time while working.
5. Any drug or alcohol statute conviction. You must notify VCEA within 5 days of such conviction.

In order to enforce this policy, we reserve the right to conduct searches of agency property and to implement measures necessary to deter and detect abuse of this policy.

In the event of suspicion of use in connection with an on the job accident, you may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. VCEA will test for alcohol, cannabinoids, (THC), Opiates, i.e. codeine and morphine, Cocaine metabolites, Amphetamines, i.e. amphetamine and metamorphines, adulterants low creatine levels and Phencyclidine. VCEA



assures that any information concerning your drug and/or alcohol use will remain confidential. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment.

If the results of your drug and/or alcohol test are positive, VCEA will take disciplinary action which may include suspension or immediate termination. The disciplinary action will be based on the seriousness of the offense and your past performance. If you return to work after testing positive for drugs and/or alcohol, you may be required to consent to unannounced tests for drugs and/or alcohol for a specified period as a condition of continued employment. In the event that you test positive, you may request a second test to be performed by a reliable drug testing agency, at your expense.

Any conviction you receive on a charge of illegal sale or possession of any controlled substance will not be tolerated. In addition, we must keep people who use, sell, or possess controlled substances off VCEA's premises in order to keep the controlled substances themselves off the premises.

Violation of the above rules and standards of conduct will not be tolerated. VCEA may bring the matter to the attention of appropriate law enforcement authorities.

VCEA's policy on drug and alcohol in no way limits or alters the at-will employment relationship.

### **Customer and Public Relations**

The success of VCEA depends upon the quality of the relationships between VCEA, our employees, and our customers, suppliers and the general public. Our customers' impression of VCEA and their interest and willingness to do business with us are formed by how you serve them.

The opinions and attitudes that customers have toward our agency can be affected for a long period of time by the actions of just one employee. It is sometimes easy to take a customer for granted, but when we do, we run the risk of not only losing that customer, but their associates, friends or family who also may be customers or prospective customers.

Here are several things you can do to help give customers a good impression of VCEA:

1. Customers are to be treated courteously and given proper attention at all times. Never regard a customer's questions or concerns as an interruption or an annoyance. Customer inquiries, whether in person or by telephone, must be addressed promptly and professionally.
2. Never place a telephone caller on hold for an extended period of time. Direct incoming calls to the appropriate person and make sure that the call is answered.
3. Act competently and deal with customers in a courteous and respectful manner. Through your conduct, show your desire to assist the customer in obtaining the help that he or she needs. If you are unable to help a customer, find someone who can.
4. All correspondence and documents, whether to customers or others, must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.
5. Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your supervisor to intervene.

6. Communicate pleasantly and respectfully with other employees at all times.

These are the building blocks for your and VCEA's continued success.

### **Confidentiality**

It is your responsibility to safeguard confidential information obtained during your employment with us, including financial information obtained from customers and private information about other employees.

You may in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor.

If you are questioned by someone outside VCEA or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor or the Executive Officer.

It is also important to remember that you may not disclose or use proprietary or confidential information except as your job requires. You may not keep or retain any originals or copies of reports, notes, proposals, customer lists or other confidential and proprietary documents, equipment, supplies, or property belonging to VCEA. Any and all copies or originals of reports, and notes belong to VCEA and must be turned over to VCEA within twenty-four (24) hours of termination of employment.

You are not permitted to remove or make copies of any VCEA records, reports or documents without prior management approval. Do not post confidential information about VCEA, customers, employees, or affiliates on any social media. Disclosure of confidential information could lead to termination, as well as other possible legal action.

### **Conflict of Interest**

As an employee of VCEA, you must avoid actual or potential conflicts of interest with VCEA. If you are found to have a conflict of interest, you may be subject to discipline, including termination. You should contact your supervisor with any questions about this policy. Prohibited activities include, but are not limited to:

1. Having a direct or indirect financial relationship with a VCEA customer, vendor, or supplier; however, no conflict will exist in the case of ownership of less than 1 percent of a publicly traded corporation.
2. Engaging in any other employment or personal activity during work hours, or using VCEA's name, logo, equipment or property, including stationery, office supplies, computers, telephones, fax machines, postage, and office machines, for personal purposes.
3. Soliciting agency employees, suppliers, or customers to purchase goods or services of any kind for non-agency purposes, or to make contributions to any organizations or in support of any causes.
4. Soliciting or entering into any business or financial transaction with another employee whom the soliciting employee supervises, either directly or indirectly, such as hiring the employee to perform personal services or soliciting the employee to enter into an investment.

**Solicitation**

You are not permitted to solicit or distribute literature during working time. Working time includes both your working time and the working time of the employee to whom the solicitation or distribution is directed. Similarly, distribution of written solicitation material in working areas is prohibited at all times. If you wish to distribute fundraising items such as cookies, candy, and coupon books for sale, you may place them without solicitation in your workstation or VCEA break rooms.

**Media Contact**

If you are contacted by a news organization regarding VCEA business, please direct all media inquiries to your supervisor, the Executive Officer, or the Director of Marketing.

**Employment of Friends or Relatives**

The employment of friends and relatives in the same area of an organization may cause conflicts of interest and appearances of impropriety. In addition, personal conflicts may impact the working relationship of the parties. Although VCEA does not prohibit the hiring of friends and relatives of existing employees, VCEA is committed to monitoring situations in which friends or relatives work in the same area. In the event of an actual or potential problem, VCEA's response may include reassignment or termination of one or both of the individuals involved. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with an employee is similar to that of persons who are related by blood or marriage, or one who is a domestic partner.

**Personal Relationships in the Workplace**

VCEA desires to avoid misunderstandings, complaints of favoritism, claims of sexual harassment, and employee dissension that may result from personal or social relationships amongst employees. Therefore, VCEA asks that if you become romantically involved with another employee that you disclose your relationship to a supervisor with whom you feel comfortable. This information will be kept as confidential as possible. For purposes of this provision, "romantically involved" will be interpreted broadly. VCEA reserves the right to take necessary and appropriate action to resolve any potential conflict of interest arising out of romantic involvement among employees. Depending on the facts of the situation, such action may include reassignment or termination of one or both of the employees involved.

VCEA is committed to maintaining a professional work environment where supervisors treat all employees fairly and impartially. Accordingly, supervisors are not allowed to date, or become romantically or intimately involved with, employees who report to them directly or indirectly. Also, spouses and immediate family members are prohibited from working in positions where they directly report to, or are reported to, by their spouses or family members. Personal relationships very often cause problems in the workplace, such as a lack of objectivity towards the subordinate's job performance, the perception of favoritism by other employees (whether justified or not), and potential sexual harassment complaints.

For purposes of this policy, "immediate family" includes significant others (such as unmarried couples who live together), domestic partners, step-parent and step-child relationships, in-law relationships, grandparents and cousins (including analogous relationships with the parents and children of an employee's significant other). This policy covers all family-like relationships, regardless of blood or legal relationships.

Employees who are currently dating one another, or employees who are married or related and report to or supervise each other, may request to be transferred in order to comply with this policy. When possible, VCEA will attempt to accommodate such requests. Please understand, however, that VCEA reserves the right not to transfer employees based on conflicting business considerations.

Unprofessional behavior in the workplace, such as sexually related conversations, inappropriate touching (i.e., kissing, hugging, massaging, sitting on laps) another employee, and any other behavior of a sexual nature, is prohibited.

If two employees marry or become related, causing actual or potential problems such as those described, only one of the employees will be retained with VCEA unless reasonable accommodations can be made to eliminate the actual or potential conflict. The employees will have 30 days to decide which relative will stay with VCEA. If this decision is not made in the time allowed the Executive Officer will make the decision, taking the employment history and job performance of both employees as well as the business needs of VCEA into account. Supervisors who have any questions about the application of this policy to an employee or applicant should contact the Executive Officer.

### **Dress Policy**

You are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person. A neat, tasteful appearance contributes to the positive impression you make on our customers.

Business casual dress is generally expected which should include nice shoes, slacks, pantsuits, dresses, skirts, and shirts (and possibly suits and ties when appropriate). Violating dress code standards may subject you to appropriate disciplinary action.

## **Day-to-Day Operations**

### **Employer and Employee Property**

Routine inspections of agency property might result in the discovery of an employee's personal possessions. You are encouraged not to bring into the workplace any item of personal property which you do not want to reveal to VCEA.

All desks, lockers, offices, work spaces, credenzas, cabinets, electronic mail (e-mail), telephone systems, office systems, computer systems, any and all electronically issued technology, agency vehicles and other areas or items belonging to VCEA are open to VCEA and its employees. **YOU SHOULD HAVE NO EXPECTATION OF PRIVACY IN ANY OF THESE AREAS.** Personal items and messages or information that you consider private should not be placed or kept in any of these places or areas belonging to VCEA.

Storage areas, work areas, file cabinets, credenzas, computer systems and software, office telephones, cellular telephones, any and all electronically issued technology, modems, facsimile machines, copy and scanner machines, tools, equipment, desks, voice mail, and electronic mail are the property of VCEA, and need to be maintained according to agency rules and regulations.

Desks and work areas must be kept clean, and are to be used for work-related purposes. VCEA's property is subject to inspection at any time, with or without prior notice. Prior authorization must be obtained before any of VCEA's property may be removed from the premises.

For security reasons, you should not leave personal belongings of value in the workplace. Personal items, lockers and desks are subject to inspection and search, with or without notice, and with or without your prior consent.

Terminated employees should remove any personal items at the time of separation. Personal items left in the workplace by previous employees are subject to disposal if not claimed at the time of your termination.

### **Electronic Systems and Privacy**

Access to VCEA's electronic systems is provided for work-related purposes. There should be NO expectation of privacy in connection with the use of electronic systems, including stored e-mail/voice mail/text messages or any messages sent electronically. All messages created, sent, received or stored in these systems are and remain the property of VCEA. VCEA reserves the right to retrieve and review any message composed, sent or received via the system. Please note that even when a message is deleted or erased, it is still possible to recreate the message; therefore, the ultimate privacy of messages cannot be ensured to anyone.

To safeguard and protect the proprietary, confidential and business-sensitive information of VCEA, and to ensure that the use of all electronic systems and equipment is consistent with VCEA's legitimate business interests, authorized representatives of VCEA may monitor the use of such systems from time to time without notice, which may include printing and reading materials, files on the system, list servers, and equipment.

You should be aware that e-mail messages, like VCEA correspondence, and any and all messages sent electronically may be read by other VCEA employees and outsiders under certain circumstances. While it is impossible to list all of the circumstances, some examples are the following: (1) during system maintenance of the e-mail system, (2) when VCEA has business needs to access the employee's mailbox, (3) when VCEA receives a legal request that requires disclosure of e-mail messages, or (4) when VCEA has reason to believe the employee is using e-mail in violation of VCEA policies.

### **Social Media Guidelines**

VCEA understands that various forms of communication occur through social media, such as Facebook, Twitter, LinkedIn, blogs, and multimedia host sites such as YouTube. Such communications occur in social networking, blogs, and video sharing and similar media. It should be remembered that social media sites do not provide a private setting. Employees who communicate information through social media therefore should not expect that such information is private

Employees must remember that all existing policies apply to information disseminated through social media. These guidelines are intended to help employees understand some of the unintended outcomes of sharing information through social media.

### **Application of Policies**

The employer's policies and standards apply to conduct that occurs in the workplace and while employees are on duty, wherever they happen to be. They also apply to activities that occur during an employee's own time,

outside of work, if the activities have an actual or potential impact on the employee's performance, the performance of coworkers, or the employer. Employees should therefore understand that they are responsible for certain activities that occur off the employer's premises or on their own time both to the employer and third parties. Nothing in this policy prevents employees from exercising their broad rights to discuss the terms and conditions of employment with others, to take action with others to improve your working conditions, or to otherwise exercise their rights to engage in protected concerted activity.

### **General Policies**

VCEA's policies regarding workplace conduct and interpersonal interactions are embodied in a number of policies, including policies that protect VCEA's legal interests and confidential information.

The policies also prohibit unlawful harassment and discrimination and require employees to use work time in an appropriate manner.

The principles set forth in VCEA's policies apply equally to social media, even when the policies do not refer specifically to social media. Violations of any policy through social media or networking will be appropriately addressed when brought to management's attention.

Illustrations of some of the relevant policies and how they may apply to social media are provided below. The following guidelines apply to all employees when they are at work and away from work.

#### **General expectations**

- Employees may not post or transmit any material or information that includes confidential, proprietary or trade secret information, or information that is untrue, defamatory, obscene, profane, threatening, harassing, abusive, hateful or humiliating to another person or entity. This includes, but is not limited to, comments regarding VCEA or its employees or customers. Employees should ask their supervisors and refer to agency policies if they have any questions about what is appropriate to include in communications involving social media.

#### **Harassment**

- VCEA will not tolerate intimidation, bullying or threats of violence among co-workers and such acts, even if occurring outside of work, will result in serious consequences, including termination.
- VCEA maintains a strict policy prohibiting harassment of any kind. Harassment is inappropriate and contrary to VCEA policy if it is based upon any legally protected characteristic. It includes unwelcome verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile work environment or unreasonably interferes with work performance.

#### **Reputation**

- Employees should act responsibly and remember that untrue or defamatory postings can have serious consequences. Do not create fake blogs or false reviews of VCEA or its customers.

#### **Acceptable Use Guidelines**

- E-mail and Internet access is provided to support VCEA's business operations. Incidental use of e-mail and internet for personal reasons is permissible during non-working periods during the workday,

provided it is not excessive and provided it does not interfere with VCEA business. Any use that includes tapping into electronic social media should be consistent with VCEA's values, policies and applicable laws.

- Participation in social media sites should be limited during work time; incidental use during break time is not prohibited by this policy. Under no circumstances may employees access social media sites while performing safety-sensitive functions such as driving.

#### Opinions

- Employees should not speak on behalf of VCEA without proper authorization to do so. Employees should at all times make it clear that their opinions do not represent those of VCEA. They should include disclaimers in online communications advising that they are not speaking officially or unofficially on behalf of the organization.
- Employees may not use VCEA's logo or proprietary graphics to imply that you are speaking on behalf of VCEA.

#### Questions

- Employees who have concerns regarding workplace conduct or inappropriate behavior or comments are encouraged to contact the Executive Officer for further guidance.

#### **Additional Guidance and Information**

While VCEA's policies offer very clear direction on some issues, there are other areas where common sense must prevail. When in doubt about posting, employees should consider the following:

- There is no expectation of privacy when engaging in social media networking activities. You may know everyone in the room when you have a conversation in person. This will not apply with social networking applications. You may not have full control over how your comments are perceived or shared.
- These are public forums. As a practical matter, it may be impossible to delete information that is shared. Comments may be publicly available for years.
- Even when you do not identify your employer by name in the communication or posting, some readers are likely to know where you work. Keep this in mind when you consider posting or transmitting comments that may be work-related. This should also be considered when creating your profile.
- Do not state or imply that the opinions you express are those of VCEA, its management, or other employees. Include a disclaimer to this effect.

#### **Telephone Usage**

You may use agency telephones for local or personal calls within reason. You are not to charge long distance personal telephone calls to VCEA. You are expected to limit personal calls so they do not become excessive or disruptive to your work or work area.

#### **Cell Phone Usage**

VCEA realizes that in our fast-paced business environment, meeting our goals and staying in touch with our customers and co-workers is a necessary process in working efficiently. But, first and foremost, we want to

preserve the safety of our employees and those in the community. California law limits the use of cell phones while driving to those having hands-free operation.

This law provides that, it is illegal to drive a motor vehicle while using a wireless telephone, unless that telephone is designed and configured to allow hands-free listening and talking operation, and is used in that manner while driving.

Additionally, writing, sending, or reading text-based communications on your cell phone while driving is also prohibited under California law. This includes text messaging, instant messaging, and e-mail. You will be responsible for any tickets you receive if you violate this law.

Use of a hands-free cell phone is required while driving for agency business. An option is that you pull over while driving to place or receive calls on your cellular phones. There is a great potential for harm to you and to others if this policy is violated.

Personal cell phone use is not needed or required for work purposes and should not be used for work.

### **Workplace Monitoring**

Workplace monitoring, both human and electronic, may be conducted by VCEA to ensure quality control, employee safety, compliance with VCEA policies, security, and customer satisfaction.

Customer sites may also utilize video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence.

Because VCEA is sensitive to your legitimate privacy rights, every effort will be made to see that workplace monitoring is done in an ethical and respectful manner.

### **Travel Expense Policy**

VCEA will reimburse you for work-related travel expenses such as transportation, overnight accommodations and meals. You should have your supervisor's approval before incurring travel expenses. All requests for reimbursement must be submitted to the Executive Officer for approval along with supporting documents or original invoices.

Non-exempt employees will be paid for time spent traveling and in conference sessions. If you are required to use your personal automobile on work-related business, VCEA will reimburse you for mileage at the current IRS reimbursement rate and for parking expenses. You should submit the appropriate expense form to the Executive Officer for approval and then forward it to accounting for payment once per month. If you use your personal vehicle for work-related travel you are expected to maintain at least the minimum insurance required by law.



## **Agency Property and Equipment**

Equipment essential to accomplishing job duties is often expensive and may be difficult to replace. When using agency property, you are expected to exercise care, arrange for required maintenance, and follow all operating instructions, safety standards, and guidelines.

VCEA requires that all equipment be in proper working order and safe to work with at all times. If any equipment appears to be damaged, defective, or in need of repair, do not use it until a qualified technician certifies that it is repaired and safe. Never try to fix broken equipment yourself. Please notify your supervisor of any equipment breakdown as soon as it happens. If the breakdown requires emergency repairs, your supervisor will help you deal with the emergency situation as soon as possible. Prompt reporting of damages, defects, and the need for repairs could prevent possible personal injury and deterioration of equipment. Please ask your supervisor if you have any questions about your responsibility for maintenance and care of equipment used on the job.

If you are authorized to operate an agency vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you must adhere to the following rules:

1. You must be a licensed California driver and must maintain at least the minimum insurance required by law.
2. You must maintain weekly mileage reports.
3. You are responsible for following all the manufacturer's recommended maintenance schedules so as to maintain valid warranties, and for following the manufacturer's recommended oil change schedule.
4. VCEA provides insurance on agency vehicles. However, you will be considered completely responsible for any accidents, fines, moving or parking violations.
5. If involved in an accident do not admit fault, only provide required insurance and personal DMV information.
6. You must keep VCEA vehicle clean at all times.
7. Persons not authorized or employed by VCEA cannot operate or ride in an agency vehicle.
8. Prior to operation of any agency vehicle, your supervisor will train you on the appropriate steps to take if you are involved in an accident, such as filling out the accident report, getting names and phone numbers of witnesses and so on.

If you are required to drive an agency vehicle or your own vehicle for agency business, you will also be required to show proof of a current, valid driver's license and current effective auto insurance coverage prior to the first day of employment.

If you drive your own vehicles on agency business you will be reimbursed at the current IRS reimbursement rate.

You are responsible for all agency property, materials, or written information issued to you or in your possession. You may be asked to sign an acknowledgment of receipt of agency property issued to you. All agency property must be returned on or before your last day of work. You may be responsible for the replacement cost of agency property not returned.

Agency cars are for agency business only, and only authorized employees may drive agency cars. Employee spouses, children, friends or anyone other than the employee may not operate these vehicles, unless an emergency arises. A violation of these rules, or excessive or avoidable traffic and parking violations may result in disciplinary action, up to and including termination.

### **Personal Use of Agency Property**

You are not allowed to use agency owned property for personal use. The definition of “agency owned” assets includes, but is not limited to, facilities, computers, and their related equipment, labelers, copy machines, postage meter, any type of supplies including office supplies, tools, vehicles, credit cards, etc. These assets are provided to you for agency related business only.

Please also remember that all desks, lockers, cabinets, computers and vehicles that belong to VCEA will be open to all agency employees. Personal items, messages or information that you consider private should not be placed or kept in telephone systems, office systems, agency computer systems, office work spaces, desks, and credenzas or file cabinets.

If you are issued an agency credit card you are responsible for the use of that card. Under no circumstances will VCEA allow you to sign an agency credit card unless the card being signed is issued in your name. Signing another employee’s credit card will result in liability for the expense and may subject you to immediate termination. If you hold an agency credit card you may only give permission to another employee to make an authorized business purchase or reservation using your card with prior approval from the Executive Officer of VCEA. Any holders of agency credit cards or authorized users who transact a non-business related charge may be subject to immediate termination. Receipts for all credit card transactions must be given to the Finance Director along with an explanation of the purchase.

### **Driving Record and Insurance**

As a condition of employment, we require you to maintain an acceptable driving record if you drive for agency business. Any accidents or traffic violations must be reported to a supervisor immediately if they occur during the course of your duties. You will be responsible for any tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle. Failure to report an on-the-job motor vehicle accident, no matter how minor, will lead to disciplinary action, up to and including termination. Additionally, you are required to maintain the level of insurance required by the state of California. A copy of your insurance card must be on file before you will be allowed to drive for agency business.

### **Health and Safety**

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all VCEA activities. We want to protect you against injury and illness, as well as minimize the potential loss of production. To achieve our goal of maintaining a safe workplace, everyone must be safety conscious at all times. In compliance with California law, and to promote the concept of a safe workplace, we maintain an Injury and Illness Prevention Plan (IIPP). The IIPP is available for your review from the Director of Finance & Internal Operations. The Director of Finance & Internal Operations has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

You will receive a copy of VCEA's general safety rules and will receive health and safety training as part of this program. A complete copy of the Safety Program is kept by the Executive Officer and is available for your review.

### **Smoking Policies**

Smoking, use of e-cigarettes or vapor products is not allowed in any enclosed area of the building, or within 25 feet of any entrance of the building or in any agency vehicle. In fairness to those who do not smoke, smoking is allowed only during breaks and lunch and only outside of the office or building.

### **Security**

To provide for the safety and security of you, our customers and our facilities, only authorized visitors are allowed in the work areas. To ensure the safety of our guests, we encourage family and friends to check in when visiting you at the workplace.

The following security procedures should always be followed to ensure your safety and the safety of your fellow employees, and to ensure the confidentiality of VCEA's information. At no time should unauthorized persons be allowed to roam unescorted through VCEA's office. It is a matter of courtesy to accompany customers and guests to and from the exits and other office to which they may be destined. If strangers are encountered in our office who do not satisfactorily identify themselves or the person with whom they will be meeting, escort them to the front of the office. If they resist, contact your supervisor immediately.

Be aware of persons loitering for no apparent reason in other non-office areas (e.g., in parking areas, walkways, entrances/exits and service areas). Report any suspicious persons or activities to your supervisor. Secure your desk at the end of the day or when called away from your work area for an extended length of time and do not leave valuable and/or personal articles in or around your workstation that may be accessible. Please report any lost facility keys to your supervisor immediately.

### **Workplace Violence**

VCEA recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, careful response by all employers. The costs of workplace violence are great, both in human and financial terms.

VCEA has adopted the following policies to ensure the safety of its employees and to provide guidance on dealing with violence in the workplace. If qualified, you may provide first aid to injured persons. You are required to:

1. Immediately report all indirect and direct threats of violence to a supervisor.
2. Immediately report all suspicious individuals or activities to a supervisor.
3. Never put yourself or others in peril.
4. Immediately call 911 and seek shelter if you hear a violent commotion near your workstation.
5. Cooperate fully with security, law enforcement, and medical personnel who respond to a call for help.
6. Direct all inquiries from the media about violence on VCEA premises to your supervisor or the Executive Officer.

The Executive Officer of VCEA will make the sole determination of whether, and to what extent, threats or acts of violence will be acted upon by the agency. In making this determination, we may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe that workplace violence has occurred. No provision of this policy shall alter the at-will nature of employment at VCEA.

### **Off-Duty Use of Facilities**

You are prohibited from being on agency premises, or making use of agency facilities, while not on duty. You are expressly prohibited from using agency facilities, agency property or agency equipment for personal use.

### **Parking**

You are encouraged to use the parking areas designated for our employees. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will help eliminate accidents, personal injuries, and damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor. VCEA cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents. You will be responsible for any parking tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle.

### **Employee Suggestion Program**

We encourage you to bring forward your suggestions and good ideas about how our agency can be made a better place to work and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisors. All suggestions are valued and listened to.

## **Employee Benefits**

### **Benefits**

VCEA has developed and invested in an employee benefit program to supplement your regular wages. VCEA will continue these benefits as agency resources allow; however, we reserve the right to change or eliminate any benefit program at any time (including increasing the employee's share of the cost).

Our benefit program consists of programs which may include health, dental, and vision coverage, life insurance, paid time off (PTO) and holiday pay. In addition, there are a number of programs available to employees through other sources such as State Disability, Paid Family Leave, Unemployment Insurance, Social Security and Workers' Compensation. Eligibility to participate in some of these programs is determined by your employee classification and length of continued service with VCEA.

### **Official Health Plan Documents**

The employee handbook contains a number of brief summaries of the benefit programs that the employer provides for eligible employees. The purpose of these summaries is simply to acquaint you with the general provisions of the applicable plans; they do not contain full statements of all of the terms, conditions, and

limitations of the plans. If there are any real or apparent conflicts between the brief information in the handbook and the terms, conditions and limitations of the official plan documents, the provisions of the official plan documents will be considered accurate. You are encouraged to review all plan documents carefully to familiarize yourself with all of the provisions of the plans.

## **Paid Time Off (PTO)**

### **Eligibility**

Paid Time Off (PTO) is an all purpose time-off policy for eligible employees to use for the following: vacation; the diagnosis, care, treatment of an existing health condition; preventative care of an employee or family member; for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance; illness or injury; and personal business. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, in-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status). Personal business also includes time spent for jury duty, bereavement, and time off to vote. Regular full-time employees are eligible to earn and use PTO as described in this policy.

PTO begins accruing upon your date of hire. Employees may begin using PTO upon your 90th day of employment. At that time, you can request the use of earned PTO including that accrued during the waiting period.

### **Accrual**

Regular, full-time employees accrue 6.67 hours of PTO per pay period (24 pay periods per year) in your first year of eligibility – 160 hours. After your first anniversary, and thereafter, you will receive an additional eight (8) hours per year, which will accrue at an additional rate of .34 hours per pay period. Once you have worked for the agency for ten (10) years, you will not accrue any additional PTO.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when you start to earn PTO. You will not earn PTO while you are out on an unpaid leave of absence. Therefore, your benefit year may be extended if you go out on a leave of absence other than a military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

### **Scheduling PTO**

PTO can be used in minimum increments of one (1) hour for non-exempt employees. Exempt employees may use PTO in ½ day or 1 full day increments. If you have an unexpected need to be absent from work you should notify your direct supervisor before the scheduled start of your workday, if possible. Your direct supervisor must also be contacted on each additional day of unexpected absence.

To schedule planned PTO, you need to request advance approval from your supervisor. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

PTO is paid at your base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

PTO will be used to supplement any payments that you are eligible to receive from state disability insurance, or workers' compensation. The combination of any such disability payments and PTO cannot exceed your normal weekly earnings.

### **PTO Payout**

The Executive Officer may, in his or her sole discretion, authorize a cash payout of up to 60 hours of PTO annually to an employee who meets the following criteria: (a) the employee used an equal or greater amount of hours in the preceding 12 months; and (b) the employee will maintain a minimum PTO balance of 120 hours after the payout. Such requests will be granted at the sole discretion of the Executive Officer in the interest of work program effectiveness and subject to VCEA's fiscal capability.

### **PTO Caps**

Employee can accumulate PTO up to a balance of twice the annual PTO for which they are entitled. Once that limit is reached, employee will no longer accrue PTO until time is taken, and the employee's accrual falls below the cap.

Upon termination of employment, you will be paid for unused PTO that has been earned through your last day of work.

### **Sick Leave**

Employees ~~who are not eligible for the PTO policy as outlined above~~ will earn sick leave in accordance with this policy.

Sick leave is a form of insurance that is accumulated in order to provide a cushion for incapacitation due to illness. It is to be used only for the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, in-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status).

On the employee's hire date, ~~eligible all~~ employees will receive 24 hours of paid sick leave. Regular, full-time employees accrue 3.34 hours (10 days annually) of PTO per pay period (24 pay periods per year) and these employees can use their PTO for paid sick leave. Regular, full-time employees can accumulate PTO up to a balance of 160 (20 days). Employees who are not eligible for the PTO policy as outlined above Unused sick leave will be removed from the at the end of each year of employment (i.e., on the employee's anniversary date). All eligible employees will be credited with 24 hours of paid sick leave at the commencement of ~~the each~~ employment year up to 40 hours. Employees will also accrue 1 hour of paid sick leave per every 30 hours worked until the employee has accrued the equivalent of 5 days or 40 hours of paid sick leave, whichever is greater. Any unused sick leave is not paid out on separation of employment.

Employees may begin using sick leave upon their 90th day of employment.

When wishing to use sick leave, you should personally call your supervisor prior to the start of your shift on the day you are scheduled to work. Sick leave is not to be taken in less than two (2) hour increments and does not accrue when you are out on sick leave.

A paid absence is not counted as a basis for computing overtime.

If you are receiving State Disability Insurance (SDI) or Workers' Compensation payments, then you can integrate sick pay (meaning that you can supplement your wage replacement benefits with a portion of your sick leave to equal your full wage). Under no circumstances can you receive more than your customary wage.

Sick leave is not granted for the purpose of accompanying or taking pets to procure medical attention.

Unused sick leave has no cash value and will not be paid at termination.

### **Holidays**

We observe the following paid holidays for full-time employees:

- New Year's Day
- Martin Luther King Jr.'s Birthday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Day
- [Floating Holiday \(2\)](#)

Eligibility for holiday pay begins upon date of hire. You must also be regularly scheduled to work on the day on which the holiday is observed, and must work your regularly scheduled working days immediately preceding and immediately following the holiday, unless an absence on either day is approved in advance by your supervisor.

When a holiday falls on a Saturday or Sunday, it is usually observed on the preceding Friday or the following Monday. Holiday observance will be announced in advance.

If you are on a paid absence due to PTO when a holiday occurs, you will receive holiday pay. Non-exempt employees who work on holidays, due to customer job requirements, will receive regular earned wages. Part-time employees and interns are not eligible for holiday pay.

### **Insurance Benefits**

**Medical, Dental and Vision Insurance:** We provide access to medical, dental & vision insurance plans for eligible employees and their dependents. You may be required to provide adequate proof of the dependent relationship in order to add the dependents to VCEA's insurance policies. Typically proof of the relationship may be

established through a copy of a birth certificate, adoption documents, marriage license, or certificate of registered domestic partnership. We cannot guarantee your domestic partner relationship will be kept confidential.

Full-time employees and part-time employees who are regularly scheduled to work a minimum of 30 hours per week are eligible for VCEA's medical, dental, and vision insurance coverage. Each employee becomes eligible on the first of the month after the employee has started employment with VCEA. VCEA will contribute up to \$2,133 per month per employee towards VCEA's medical, dental and vision insurance for a full-time employee and dependents coverage. VCEA will contribute a prorated amount for part-time employees based on the average hours worked (for example, if the part-time employee is regularly scheduled to work 30 hours per week, VCEA's contribution toward the cost of VCEA's medical, dental and vision insurance coverage for the part time employee and his/her eligible dependents would be prorated to 75% of the full-time equivalent, i.e., \$1,599.75). The employee is responsible for any premiums due for VCEA coverage(s) that are in excess of the VCEA contribution amount. Deductions from the employee's paycheck will be made to cover this cost. Information describing medical, dental and vision insurance benefits will be given to you when you become eligible to participate in the program. Eligible employees who elect not to receive medical insurance coverage from VCEA must provide proof of adequate medical coverage from an alternate source within 30 days of becoming eligible through VCEA for the benefit. Such election will be effective as of the employee's eligibility date and will remain in effect until the start of the next open enrollment period. Employees who have declined VCEA medical insurance coverage and want to continue to decline coverage must provide proof of adequate medical coverage once per year, no later than 30 days prior to VCEA's open enrollment period. Full time employees who decline to accept VCEA medical, dental, and vision insurance benefits shall receive a payment of \$550 per month in lieu of coverage; part-time employees who are eligible for VCEA medical, dental and vision insurance and decline to accept VCEA medical, dental, and vision insurance shall receive a prorated payout based on the employee's regularly scheduled hours (i.e., an employee who is regularly scheduled to work 30 hours per week will receive 75% of the full-time equivalent, or \$415.5.)

During any leave of absence such as personal leave, Workers' Compensation leave or other disability leave, VCEA-provided health benefits will continue through the end of the month during which leave commenced. At that point, the employee will be provided with the option to continue coverage at the employee's own expense pursuant to Cal-COBRA. For the duration of any pregnancy disability leave of absence, health and life insurance benefits will be continued for the duration of your approved pregnancy disability leave as required by applicable law.

Please direct any questions you have regarding your medical, dental and/or vision insurance to the Executive Officer.

**Retirement Plan:** We provide a 401(A) and 457B defined contribution retirement plans for eligible employees in order to assist in planning for your retirement. Eligible employees may enroll following 6 months of employment. Retirement plan participants can participate in loan programs permitted under the plan guidelines. For more information regarding eligibility, contributions, benefits and tax status, contact the Executive Officer. All eligible participants will receive a summary plan description.



**Disability Insurance:** VCEA furnishes private long-term disability policies. For more information, contact the Executive Officer.

**Life and Accidental Death and Dismemberment Insurance:** If you are a regular full time employee of VCEA, you will be provided our group life insurance coverage paid for by the organization. This insurance is payable in the event of your death, in accordance with the policy, while you are insured. You may change your beneficiary whenever you wish by submitting the appropriate documents to the Human Resources Consultant. Refer to the literature provided by our insurance agency for details on your life insurance coverage.

**Paid Family Leave (PFL) Insurance:** All employees who take time off to care for a seriously ill family member (child, parent, grandparent, grandchildren, in-laws, spouse or registered domestic partner) or bond with a new child may be eligible to receive replacement wages for up to six weeks during any 12-month period, under California's Paid Family Leave program. This program is funded with employee contributions through the State Disability Insurance (SDI) Program. Such contributions are deducted from each employee's paycheck. Even though employees may be eligible to receive Paid Family Leave insurance benefits, a leave of absence must still be requested and approved as defined in our leave policies. Please understand that this leave does not mandate any guarantee that your job will be available when you are ready to return.

**State Disability Insurance:** If you are unable to work due to a non-work related medical condition or injury you may be entitled to State Disability Insurance (SDI). SDI benefits are paid by the state and are financed from mandatory payroll tax deductions from all employees' wages. Questions regarding SDI benefits should be directed to the Executive Officer or the state's Employment Development Department.

**Unemployment Compensation:** We contribute each year to the California Unemployment Insurance Fund on behalf of our employees.

**Social Security:** Social Security is an important part of every employee's retirement benefit. We pay a matching contribution to each employee's Social Security taxes.

**Workers' Compensation:** VCEA purchases a workers' compensation insurance policy to protect you while you are employed by us. The policy covers you in case of occupational injury or illness. It is your responsibility to notify a member of management immediately if injured. Please refer to the Workers' Compensation policy for additional information.

We provide workers' compensation insurance for our employees as required by state law. The insurance provides important protection for employees who suffer a work-related injury. We encourage you to report all workplace injuries immediately and to take advantage of the benefits provided by our workers' compensation insurance if you are injured on the job.

Workers' compensation insurance provides important protection for employees who suffer an injury at work. Unfortunately, we understand that some employees are encouraged to file fraudulent workers' compensation claims. For your own protection, you should know that the California Insurance Frauds Protection Act provides that it is unlawful for any person to:

*"Make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining . . . compensation . . . and shall be punished by imprisonment in county jail for one year, or in the state prison for two, three or five years, or by a fine not exceeding Fifty Thousand Dollars (\$50,000.00) . . . or by both imprisonment and fine."*

Our policy is to investigate all questionable workers' compensation claims. If they appear to be fraudulent, they are referred to the Bureau of Fraudulent Claims and the District Attorney's office.

**Section 125 (Cafeteria Plan):** Through the flexible spending account or the health savings account, you may designate an annual dollar amount of your before-tax income to pay for certain eligible expenses. Particular care should be taken to assure that the funds required in the flexible spending account are not over estimated as unused funds cannot be returned to the participant at the end of the plan year. Please refer to the booklets for information about the program. If you need additional information or change forms, please speak with the Executive Officer.

### **Domestic Partners**

VCEA believes that basic medical/dental/vision coverage should be available to employees and their dependents. To recognize non-traditional family arrangements and to demonstrate our commitment to our community of employees and their families, VCEA has instituted a Domestic Partners Policy. This policy gives you the opportunity to cover a long-term, significant same sex partner under our benefits plans, as well as opposite sex partners for employees over 62 years of age. VCEA wishes to make it clear that it cannot guarantee confidentiality of the relationship once a domestic partner is covered under our policy. See the Executive Officer for more information.

### **Cal-COBRA**

The California Continuation Benefits Replacement Act (Cal-COBRA) gives qualified employees and their dependents the opportunity to continue health insurance coverage under VCEA's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Under Cal-COBRA, you or the beneficiary pays the full cost of coverage at VCEA's group rates. In addition, you or the beneficiary may be required to pay an administration fee. Our plan administrator will provide you with a written notice describing rights granted under Cal-COBRA when you become eligible for coverage under our plan. The notice contains important information about your rights and obligations.

### **Recreational Activities and Programs**

VCEA or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of your voluntary participation in any off-duty recreational, social, or athletic activity that is not part of your work related duties.

## **Leaves of Absence**

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with VCEA. It is the policy of VCEA to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable. When you become aware of your need for leave, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow VCEA's customary notice and procedural requirements for requesting leave. Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment. While on a leave of absence you may not obtain other employment or apply for unemployment insurance. If either of these instances occurs, you may be viewed as having voluntarily resigned from VCEA.

You will not accrue PTO while you are on an unpaid leave of absence. There are several types of leaves for which you may be eligible.

## **Medical Leaves of Absence**

A medical leave of absence may be granted for non-work related temporary medical disabilities (other than pregnancy, childbirth and related medical conditions) until the end of the month in which the leave began with a doctor's written certificate of disability (unless leave of a longer duration is required by law). Requests for leave should be made in writing as far in advance as possible, but, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow VCEA's customary notice and procedural requirements for requesting leave. If you are granted a medical leave, you are required to use any accrued sick pay. You also may use any PTO previously accrued.

A medical leave begins on the first day your doctor certifies that you are unable to work and ends when your doctor certifies that you are able to return to work. Your supervisor will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. Upon your return, you must present a doctor's certificate showing fitness to return to work. If you need a medical-related leave longer than VCEA can, consistent with business necessity and reasonable accommodation, approve, you will be advised.

For the duration of any leave of absence, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. For the duration of a pregnancy disability leave, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

If you wish to continue these benefits you may do so by electing to continue the benefit through the CAL-COBRA provisions, and by paying the applicable premiums.

You will not accrue PTO while you are on an unpaid medical leave of absence.

If returning from a non-work related medical leave, you will be offered the same position held at the time of leaving, if available. However, we cannot guarantee that your job or a similar job will be available upon your return. If VCEA is unable to provide a job for you at the end of your leave, we will end your employment, but you will be eligible to apply for any opening that may arise for which you are qualified.

### **Bereavement Leave**

VCEA provides regular full-time and regular part-time employees up to three (3) days' paid bereavement leave in the event of a death in your immediate family. For purposes of this policy, "immediate family" includes your spouse, parent, child, sibling; your spouse's parent, child, or sibling; your long-time companion or domestic partner; and your grandparents or grandchildren. If you need to take time off due to the death of an immediate family member you should contact your supervisor. Your supervisor may approve additional unpaid time off.

### **Bone Marrow and Organ Donation Leave**

Employees who are donating an organ to another person may take a leave of absence not exceeding 30 business days (and which may be taken in one or more periods) in any one-year. Employees who are donating their bone marrow to another person may take a leave of absence not exceeding 5 business days (and which may be taken in one or more periods) in any one year.

Requests for leave should be made in writing as far in advance as possible. You must provide a written medical certification from your health care provider to VCEA that shows that you are a bone marrow or organ donor and that there is a medical necessity for the donation.

Bone Marrow and Organ Donation leave is a paid leave, however you are required to use up to 5 days of accrued but unused sick or PTO leave for bone marrow donation, and up to 2 weeks of accrued but unused sick or PTO leave for organ donation.

For the duration of a Bone Marrow or Organ Donation leave of absence, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

When you are ready to return to work after a Bone Marrow or Organ Donation leave, you must provide certification from your medical care provider that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. Except as otherwise allowed by law, you are entitled, upon return from leave, to be reinstated in the position you held before the Bone Marrow or Organ Donation leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.

### **Civil Air Patrol Leave**

Employees who volunteer for the California Wing of the Civil Air Patrol are allowed up to ten days of unpaid leave each year. This leave covers employees who are needed to respond to an emergency operational mission who have been employed by VCEA for at least 90 days immediately preceding the requested leave. VCEA reserves the right to verify the need for the leave with the Air Patrol.

### **Domestic Violence and Sexual Assault Victim Leave**

VCEA takes threats and actions of domestic abuse and sexual assault against our employees very seriously, and wants employees to feel free to obtain services to keep themselves and their dependents safe.

If at any time you need to be absent from work because you have been a victim of domestic violence or sexual assault, and you need to take time off to ensure your safety, seek medical treatment, or receive counseling as a result of domestic violence or sexual assault, please let your supervisor or the Executive Officer know immediately. Your privacy will be protected to the greatest extent possible. You may use accrued PTO or sick leave in lieu of unpaid time off for these purposes.

### **Jury Duty or Witness Leave**

You may want to fulfill your civic responsibilities by serving on a jury or as a witness as required by law. You may request unpaid leave for the length of absence, unless the leave of absence is taken as PTO. We will comply with federal and state requirements on pay for exempt employees. You may be requested to provide written verification from the court clerk of having served.

You must show the jury duty or witness summons to your supervisor as soon as possible so that arrangements can be made to cover your absence. Of course, you are expected to report for work whenever the court schedule permits. If you are called for jury duty during a particularly busy time, we may ask you to request the court to postpone the mandatory jury duty to a more convenient time for us. You retain all fees paid for appearing, plus transportation reimbursements received, if any.

### **Military Leave**

If you wish to serve in the military and take military leave you should contact the Executive Officer for information about your rights before and after such leave. You are entitled to reinstatement upon completion of military service provided you return or apply for reinstatement within the time allowed by law.

### **Pregnancy Disability Leave**

#### **Eligibility and Terms of Leave**

Female employees are entitled to an unpaid Pregnancy Disability Leave (PDL) during the time they are disabled due to pregnancy, childbirth, or related medical conditions. This leave will be for the period of disability, up to four months or 17 1/3 workweeks. You are "disabled by pregnancy" if you are unable because of pregnancy to work at all, are unable to perform the essential functions of your job, or to perform these functions without undue risk to successful completion of your pregnancy, or to other persons.

Leave may be taken intermittently or on a reduced work schedule when medically advisable, as determined by your medical care provider. Medical certification is required, and the length of Pregnancy Disability Leave will depend on the medical necessity for the leave. If you need intermittent leave or leave on a reduced schedule, VCEA may require you to transfer, during the period of the intermittent or reduced schedule leave, to an available alternative position for which you are qualified and which better accommodates your recurring periods of leave. Transfer to an alternative position may include altering an existing job to better accommodate your need for intermittent leave or a reduced work schedule.

### **Applying For Leave**

If possible, you should give at least 30 days' notice requesting a pregnancy-related leave. This notice must provide and include the expected date on which the leave will begin, written certification from your medical care provider stating the anticipated delivery date and the duration of the leave.

### **Return to Work**

Before returning to work, you must provide a release from your medical care provider certifying that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. VCEA will reinstate you to your position unless:

1. Your job has ceased to exist for legitimate business reasons;
2. Your job could not be kept open or filled by a temporary employee without substantially undermining VCEA's ability to operate safely and efficiently;
3. You have directly or indirectly indicated your intention not to return;
4. You are no longer able to perform the essential functions of the job with or without reasonable accommodation;
5. You have exceeded the length of the approved leave; or
6. You are no longer qualified for the job.

If VCEA cannot reinstate you to the position you held before the pregnancy disability leave began, VCEA will offer you a comparable position, provided that a comparable position exists and is available, and provided that filling the available position would not substantially undermine VCEA's ability to operate safely and efficiently.

### **Integration With Other Benefits**

A pregnancy disability leave is unpaid, but you are required to use your accrued sick leave during the leave. In addition, you may elect to use accrued PTO during the leave. Sick leave and PTO will supplement any State Disability Insurance benefits. VCEA will maintain group medical benefits during a pregnancy disability leave as required by law. No additional PTO, sick leave or holiday pay will accrue during the leave (except during the time period you are using sick leave or PTO). You may also, however, be eligible for short term disability benefits.

### **Continuation of Medical Benefits**

For the duration of your PDL leave of absence, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the

dependent coverage you have elected. If you fail to return to work at the conclusion of PDL leave and wish to continue these benefits, you may do so by electing to continue the benefit through the Cal-COBRA provisions, and by paying the applicable premiums.

### **School Appearance Leave**

If you are the parent or guardian of a child who has been suspended from school and you receive a notice from your child's school requesting that you attend a portion of a school day in the child's classroom, you may take unpaid time to appear at the school, unless you use accrued PTO. Before your planned absence, you must give reasonable notice to your supervisor that you have been requested to appear by your child's school.

### **Time Off for Victims of a Violent or Serious Crime**

Under certain circumstances, employees who are victims of serious crimes may take time off work to participate in judicial proceedings. Qualified family members of such crime victims may also be eligible to take time off from work to participate in judicial proceedings. The law defines a serious crime to include violent or serious felonies, such as felonies involving theft or embezzlement, crimes involving vehicular manslaughter while intoxicated, child abuse, physical abuse of an elder or dependent adult, stalking, solicitation for murder, hit-and-run causing death or injury, driving under the influence causing injury, and sexual assault. When possible, you must provide us with advance notice of the need for the time off. Your privacy will be protected to the greatest extent possible. Time away from work for non-exempt employees will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

### **Time Off To Vote**

If you do not have sufficient time outside of working hours to vote in a statewide election, you may, without loss of pay, take off up to two hours of working time to vote. Such time must be at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from working, unless otherwise mutually agreed. You must notify us at least two working days in advance to arrange a voting time.

### **Volunteer Emergency Duty Leave**

VCEA will allow unpaid time off to employees who perform emergency duty as a volunteer firefighter, reserve peace officer, emergency rescue personnel, an officer, employee, or member of a disaster medical response entity sponsored or requested by the state. If you are a volunteer firefighter, or perform other emergency personnel duties, please alert your supervisor so that he or she may be aware of the fact that you may have to take time off for emergency duty. When possible, you must provide us with advance notice of the need for the time off. Time away from work will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

### **Workers' Compensation**

We, in accordance with state law, provide insurance coverage for employees in case of a work related injury. To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to:

1. Immediately report any work-related injury to your supervisor.
2. Seek medical treatment and follow-up care if required.
3. Complete a written Employee's Claim Form (DWC Form 1) and return it to your supervisor.

Provide us with certification from your health care provider regarding the need for workers' compensation disability leave and your ability to return to work from the leave.

### **Return to Work Policy**

VCEA is committed to returning injured employees to modified or alternative work as soon after a work related injury as possible. Temporarily modifying your job or providing you with an alternative position will do this. Your medical condition along with any limitations or restrictions given by the attending physician will be considered as a priority when identifying the modified/alternative position.

The program is intended to provide our employees with an opportunity to continue as valuable members of our team while recovering from a work related injury. We want to minimize any adverse effects of an ongoing disability on our employees. This program is intended to promote speedy recovery, while keeping the employees' work patterns and income consistent. At the same time, we benefit from having our employees providing a service and contributing to the overall productivity of our business. VCEA retains discretion to decide whether to provide modified duty.

### **Receipt and Acknowledgment of VCEA Employee Handbook**

I have received my copy of VCEA's employee handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

### **At-Will Employment**

I further understand that my employment is at-will, and neither VCEA nor I have entered into a contract regarding the duration of my employment. I am free to terminate my employment with VCEA at any time, with or without cause. Likewise, VCEA has the right to terminate my employment with or without cause, at the discretion of VCEA. No employee of VCEA can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the Executive Officer.

### **Future Revisions**

We reserve the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this employee handbook or in any other document, except for the policy of at-will employment. Any written changes to this employee handbook will be distributed to all employees so that you will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

### **Receipt and Acknowledgement of VCEA Handouts**

### **Illness and Injury Prevention Plan**

I acknowledge that I have read and understand the VCEA's Illness & Injury Prevention Plan and that I agree to abide by these policies.

### **Drug and Alcohol Abuse Policy**

I certify that I have read VCEA's Drug and Alcohol Abuse Policy and agree to abide fully by its terms. I understand that as a condition of my employment, I may be subjected to drug testing and that my privacy rights are thereby



limited. I also understand that I must notify VCEA of any conviction for a drug violation that occurs within five days after such a conviction. I understand that any violation of the policy may result in serious disciplinary action, including immediate termination.

Employee's Printed Name \_\_\_\_\_ Position \_\_\_\_\_

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

Receipt and Acknowledgement of VCEA Handouts

***Sexual Harassment Prevention Handout***

I acknowledge that I have read and understand the enclosed pamphlet on sexual harassment prevention in the workplace and reporting procedures in the event that harassment occurs.

***State Disability Insurance, Paid Family Leave and Unemployment Handouts***

I acknowledge that I have received the enclosed pamphlets on state disability insurance, paid family leave and unemployment insurance as provided by the Employment Development Department.

***Workers' Compensation Handout***

I acknowledge that I have received the enclosed pamphlet on workers' compensation benefits as provided by the California Chamber of Commerce.

Employee's Printed Name \_\_\_\_\_

Position \_\_\_\_\_

Employee's Signature \_\_\_\_\_

Date \_\_\_\_\_



**VALLEY**  
**CLEAN ENERGY**

# Employee Handbook

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**Updated in  
January 2024**

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## Welcome To Valley Clean Energy Alliance

DATE

Dear VCEA Employee:

**INSERT COVER LETTER HERE**

Sincerely,

Mitch Sears  
Executive Officer

## Introductory Policies

### Introduction & Future Revisions

We hope you will find your employment with Valley Clean Energy Alliance (“VCEA” or “Agency”) to be both rewarding and challenging. Our staff are key to VCEA’s success and we carefully select our new employees. This handbook is not a contract, express or implied, nor does it guarantee employment for any specific length of time.

The policies included in this handbook are guidelines only and are subject to change as VCEA deems appropriate. From time to time you may receive notice of new or modified policies, procedures, benefits, or programs. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

### Our Working Relationship

VCEA does not offer tenure or any other form of guaranteed employment. Either VCEA or the employee can terminate the employment relationship at any time, with or without cause, with or without notice. This is called Employment At Will. This employment at will relationship exists regardless of any other written statements or policies contained in this handbook or any other Agency documents or any verbal statement to the contrary.

No one except VCEA’s Executive Officer can enter into any kind of employment relationship or agreement that is contrary to the previous statement. To be enforceable, such relationship or agreement must be in writing, signed by the Executive Officer, approved by the VCEA Board.

### Open Communication Policy

At VCEA, courtesy, tact and consideration should guide each employee in relationships with fellow workers and the public. It is mandatory that each employee show maximum respect to every other person in the organization. The purpose of communication should be to help others and to make our business run as effectively as possible, thereby gaining the respect of our colleagues and customers.

### Equal Employment Opportunity

VCEA is an equal opportunity employer and makes employment decisions on the basis of merit and business need. VCEA’s policies prohibit unlawful discrimination based on race, color, religious creed, gender, pregnancy (or related medical condition), genetic information, genetic characteristics, gender identity, gender expression, religion, marital status, military or veteran status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is contrary to VCEA policy.

### Reasonable Accommodation.

When necessary under the California Fair Employment and Housing Act and the Americans with Disabilities Act, VCEA will reasonably accommodate an employee or applicant with a disability if the employee or applicant is otherwise qualified to safely perform all of the essential functions of the position.



We will make reasonable accommodations when requested to comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability. VCEA will engage in a timely, good-faith, interactive process to determine a reasonable accommodation, if any, in response to a request for reasonable accommodation by an employee or applicant with a known physical or mental disability or known medical condition. VCEA will consider all requests for accommodation, but retains discretion to determine what, if any, accommodation to provide.

### **Unlawful Harassment**

VCEA intends to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort - verbal, physical, or visual - will not be tolerated. This includes both sexual harassment as well as harassment based on an employee's status in a protected class. These classes include, but are not necessarily limited to race, color, religion, age, gender, genetic information, genetic characteristics, gender identity, gender expression, sexual orientation, pregnancy (or related medical condition), national origin or ancestry, disability, medical condition, marital status, veteran status, military status, or any other protected status defined by law. This policy also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy extends to unlawful harassment of VCEA employees by any other VCEA employees, vendors, independent contractors, customers, or others with whom employees may come into contact with during their work for VCEA.

Our workplace is not limited to our facilities, but may also include customer and vendor facilities, as well as anywhere a business-related function, or social function sponsored by VCEA, is taking place.

### **What Is Workplace Harassment?**

Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes, social media communication, messages or statements, pranks, intimidation, physical assaults or contact, or violence. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint. In addition, this policy protects employees against conduct from all individuals in the workplace, such as fellow employees, supervisors, outside customers, vendors, independent contractors, or other non-employees who conduct business with our agency.

### **What Is Sexual Harassment?**

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature. When this conduct creates an offensive, hostile and intimidating working environment, it may prevent an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implied or stated and when an employment decision is based on an individual's acceptance or rejection of such conduct.

It is important to note that harassment crosses age and gender boundaries and cannot be stereotyped. Among other perceived unconventional situations, sexual harassment may involve two women or two men. Harassment

may exist on a continuum of behavior. For instance, one example of harassment may be that of an employee showing offensive pictures to another employee.

Generally, two categories of harassment exist. The first, "quid pro quo," may be defined as the demand for sexual favors in exchange for improvement or continuance in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment," can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or verbal or other conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment include, but are not limited to, pictures, cartoons, symbols, or items found to be offensive. An employee may have a claim of harassment even if he or she has not lost a job or other economic benefit.

### **Responsibility**

All VCEA employees, and particularly supervisors, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor, the Executive Officer or a management representative with whom they feel comfortable. When supervisors become aware of the existence of conduct that could violate this policy, they are obligated to take prompt and appropriate action, whether or not the recipient of the harassment wants VCEA to do so.

### **Reporting**

If you believe you have been harassed by any agency employee, customer, contractor, or other business contact, you are required to report it to your supervisor or any other member of management. While we encourage you to communicate directly with the alleged harasser, and make it clear that the harasser's behavior is unacceptable, it is not required that you do so. It is essential, however, to notify a member of management immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment must be immediately reported. At any time if you feel that you are in immediate harm and do not have time to contact either the Executive Officer or your supervisor, seek assistance from any management representative.

Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated. However, confidentiality cannot be guaranteed. Any employee found to have harassed any employee will be subject to severe disciplinary action up to and including termination. VCEA will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

All employees must report any incidents immediately so that complaints can be quickly and fairly resolved. The California Department of Fair Employment and Housing ("DFEH") investigates and may prosecute complaints of harassment. Whenever an employee thinks he or she has been harassed or that he or she has been retaliated against for resisting or complaining, that employee may file a complaint with the DFEH. The nearest DFEH office is listed in the telephone book or on-line.

### **Harassment and Retaliation Prohibited**

VCEA prohibits any form of harassment on a protected basis that impairs an employee's working ability or emotional well-being at work. VCEA also prohibits any employee from retaliating in any way against anyone

who has raised any concern about harassment or discrimination against another individual. We will investigate any complaint of harassment, discrimination, and retaliation and will take immediate and appropriate disciplinary action if any such conduct has been found within the workplace.

## Employment Policies and Practices

### Classification of Employees

A new hire will be classified as either “exempt” or “non-exempt.”

Non-exempt employees are entitled to overtime pay for hours worked in excess of forty (40) hours per workweek.

Exempt employees are those employees whose duties and responsibilities allow them to be “exempt” from provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred, or promoted. Participation in VCEA’s benefits programs may be affected by your employment status or classification.

All employees of VCEA whether exempt, non-exempt, full-time, part-time, or temporary are employed at-will.

1. The EXEMPT status applies to certain administrative, professional, and executive staff. Exempt employees qualify for exemption from overtime regulations under state and federal law and their salaries already take into account that they may work long hours.
2. The NON-EXEMPT status applies to all other regular employees. Non-exempt employees receive extra pay for overtime work (as described in the overtime section of this employee handbook). Employees working in non-exempt positions are compensated for the actual amount of time spent on their job and are entitled to receive time and one-half (1 ½) their regular rate of pay for each hour worked in excess of forty (40) hours in a work week.
3. FULL-TIME employees work on a regular basis for at least 40 hours per week. Full-time employees may or may not be EXEMPT. They are eligible for all benefits available through work at VCEA, so long as they meet the applicable requirements, such as length of service.
4. PART-TIME employees are regularly scheduled to work fewer than 40.0 hours per week. Part-time employees who are regularly scheduled to work a minimum of 30 hours per week are entitled to all benefits as explained later in this employee handbook according to a prorated formula based on their average hours worked compared to a standard 40.0 hour workweek. Part-time employees who are regularly scheduled to work less than 30 hours per week are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the Executive Officer.
5. TEMPORARY EMPLOYEES are hired with the understanding that their employment will not continue beyond a stated date or beyond completion of a specified project or projects. Temporary employees will generally not be employed for more than 6 months. Temporary employees are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the Executive Officer.

6. INTERNS are employees who are gaining supervised practical experience in a professional field. Interns may be paid, but are not eligible for any benefits listed in this employee handbook except as required by law.

### **Recruitment**

VCEA will conduct an appropriate recruitment, depending on the needs of the organization and the position involved. Open positions may or may not be posted to solicit outside candidates. If you are aware of a vacancy and are interested in being considered for the position, you should discuss the matter with your current supervisor.

### **Rehired/Converted Employees**

If you meet eligibility requirements for rehire at the time of your separation from VCEA, you may apply for any open position for which you are qualified. Former employees will be considered along with all other applicants, and have no greater chance of being selected for employment than all other applicants.

If you are rehired by VCEA or convert from part-time to full-time status, your length of service with VCEA for all purposes will be calculated from the rehire date or the date of conversion to full-time status.

Employees who are involuntarily terminated for performance reasons or for violation of agency policy are ineligible for rehire. In addition, employees who voluntarily resign may still be ineligible for re-hire if VCEA learns of circumstances that would have justified termination for performance-based reasons regardless of when that information is acquired.

### **Job Duties**

Your supervisor will explain your job responsibilities and the performance standards expected of you. Your job responsibilities may change at any time during your employment; for example you may be asked to work on special projects or to assist with other work necessary or important to the operation of VCEA. It is expected that VCEA will have your cooperation and assistance in performing such additional work.

VCEA also may, at any time, with or without notice, alter or change your job responsibilities, reassign or transfer your position, or assign you additional job responsibilities depending on business needs.

### **Work Schedules**

VCEA's normal business hours are 8:00 a.m. through 5:00 p.m., Monday through Friday. Your supervisor will assign your individual work schedule, and you are expected to be ready to perform your work at the start of your scheduled shift. Flexible work schedules and telecommuting may be accommodated with the approval of your supervisor. Alternative work arrangements are not an entitlement or employee benefit. A supervisor may end the arrangement at any time for any reason or without cause. All changes to normal working hours, flexible work schedules, and telecommuting arrangements should be documented with your supervisor and HR representative.

On occasion, work schedules may fluctuate with customer demand and business needs. If a change in your work schedule is required, your supervisor will notify you at the earliest opportunity. You may be required to work

overtime or hours other than those normally scheduled. Exempt employees are required to work as many hours as are necessary to complete the responsibilities of their positions.

### **Personnel Records**

A personnel file will be confidentially maintained for each VCEA employee. You may review your personnel file during regular business hours upon making a request to the Executive Officer. An appointment will be made for the purpose of allowing the review.

VCEA will treat your personnel records as confidential and private. However, there are certain times when information may be given to a person outside VCEA. These include:

1. In response to a subpoena, court order, or order of an administrative agency;
2. To a governmental agency as part of an investigation by that agency of VCEA's compliance with applicable law;
3. In a lawsuit, administrative proceeding, grievance, or arbitration in which you and VCEA are parties;
4. In a workers' compensation proceeding;
5. To administer employee health benefit plans;
6. To a health care provider, when necessary;
7. To a first aid or safety personnel, when necessary; and
8. Information will be disclosed to prospective employers in accordance with the section on Employment Verification and References.

Please promptly notify the Executive Officer of any changes in your personal data. Keeping your file up-to-date can be important with regard to pay, deductions, benefits and other matters. Coverage or benefits that you and your family may receive under VCEA's benefits package could be negatively affected if the information in your personnel file is incorrect.

### **Inspection of Payroll Records**

Employees and former employees have the right to inspect and obtain copies of their own payroll records as required by applicable law. All requests must be submitted in writing to VCEA's Executive Officer. Responses will be provided as required by law. Individuals who make a request may be asked to provide identification and may be required to pay for the cost of making the copies.

### **Layoffs and Work Reductions**

VCEA may implement layoffs. Employees will be selected for layoff at VCEA's discretion based on a combination of factors, including, but not necessarily limited to: business needs, employee performance and productivity, qualifications, attendance, attitude, ability and willingness to work the required days and hours, and the ability to work cooperatively with others in the affected work unit.

The weight given to the above factors may vary depending upon the particular needs of the affected work unit and VCEA as a whole at the time of the layoff.

### **Employment Termination**

VCEA strives to ensure a smooth transition for employees leaving VCEA.

VCEA and its employees have an employment relationship that is known as “employment at will.” This means that employees are not required to work for VCEA for any set period of time nor is VCEA required to employ individuals for any specific length of time. **The statements made in this policy do not alter, modify or limit the employment at will relationship.** An “at-will” employee is subject to termination of employment at any time VCEA concludes it appropriate to do so.

Involuntary separation from service means that the termination action is being initiated by VCEA, rather than by the employee. In general, employees who are discharged by VCEA are not eligible for rehire. However, employees who are terminated due to layoff or restructuring may be eligible for rehire or recall at VCEA’s discretion.

VCEA will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from VCEA;
2. Fail to return from an approved leave of absence on the date specified by VCEA, or;
3. Fail to report to work or call in for 3 consecutive work days

In the event that you resign voluntarily, we ask – but do not require – that you provide two weeks’ notice to allow for a smooth transition and training of any replacement personnel.

All agency property such as office equipment, credit cards, keys, manuals, computer equipment, and cell phones must be returned on or prior to the last day of employment. You should return these items to your immediate supervisor.

Final wages for time worked, plus any pay for unused but accrued PTO, will normally be paid on your last day of employment, but no later than the next regularly scheduled payday.

### **Employment Verification and References**

When VCEA receives a request for references or employment verification, VCEA will disclose only the dates of employment and the title of the last position held. VCEA will provide a prospective employer with your last earned wage or salary only at your written request. VCEA will release additional information only with a signed authorization and waiver of liability in a form acceptable to VCEA.

Only the Executive Officer is authorized to respond to requests for employee references and verification of employment. No other supervisor or employee is authorized to provide references for current or former employees.

As an employee of VCEA, all requests for information regarding another employee must be forwarded to the Executive Officer.

## Timekeeping and Attendance

### Punctuality and Attendance

Regular attendance and punctuality are “essential functions” of your job. You are expected to maintain regular attendance during all scheduled work hours, report to work on a timely basis, and work through the end of your regularly scheduled workday. Chronic absenteeism or lateness will not be tolerated and will result in discipline, up to and including termination. In the event of an unscheduled absence, please abide by the following:

- You must personally call your supervisor prior to the start of your shift if you are unable to report to work, or will be late to work, on any particular day.
- You are expected to advise another management representative of your absence if you are not able to reach your supervisor and leave a telephone number where you can be reached.
- You may not have a relative or friend call in to report your absence, unless you are unable to call yourself due to a medical or other emergency.
- If you call after the start of your shift you will be considered tardy for that day.
- You are expected to provide your supervisor with explanation of your absence or tardiness and inform your supervisor of the expected duration of the absence. If you are absent for medical reasons, you do not need to disclose the underlying medical condition.
- With the exception of certain extenuating circumstances, you must call in each day you are scheduled to work and will not report to work.

Repeated absenteeism or tardiness (whether excused or not) is not tolerated. Continuing patterns of absences, early departures, or tardiness - regardless of the exact number of days—may warrant disciplinary action, up to and including termination of employment. Emergency or extraordinary circumstances concerning an absence or tardiness will be considered, and we reserve the right to make an exception to this policy if, at our discretion, an exception is warranted. Repeated car failures, missing the bus, consistently failing to arrange back-up childcare or oversleeping do not constitute emergency or extraordinary circumstances. We reserve the right to determine what is considered excessive absenteeism. In all cases, we will make accommodations for qualified employees with disabilities where required by law.

If you fail to report for work for three (3) consecutive days without any notification to your supervisor, we will consider that you have abandoned your employment, and have resigned your position.

### Timekeeping Requirements for Non-Exempt Staff

Applicable law requires VCEA to keep an accurate record of time worked. Employee time records are official VCEA records and must be accurately maintained. You must input your own time at the start and at the end of each workday, and at the start and end of each lunch hour. Completing another employee’s time record or intentionally falsifying a time record is a serious violation and may result in immediate termination of employment. If a time record needs to be corrected, both you and your supervisor must initial the change in the time record to verify its accuracy.

### **Meal and Rest Periods for Non-Exempt Staff**

Employees will generally be provided with at least a 30-minute lunch break per day, which can be scheduled by your supervisor to best accommodate the workday.

### **Overtime Time Provisions for Non-Exempt Staff**

As necessary, you may be asked to work overtime. Only actual hours worked in a given workday or workweek will be counted in determining which hours constitute overtime. We will attempt to distribute overtime evenly and accommodate individual schedules. A supervisor must previously authorize all overtime work. Any overtime worked without prior authorization may be grounds for discipline. We provide compensation for all overtime hours worked by non-exempt employees as follows: All hours worked in excess of forty (40) hours in one workweek will be treated as overtime.

Hours worked for purposes of overtime do not include an unpaid meal period, or hours away from work due to PTO, sickness, holiday, jury duty, or other absences from work. No overtime compensation will be paid to exempt employees. Exempt employees may have to work hours beyond their normal schedules, as work demands require.

### **Make-Up Time for Non-Exempt Staff**

Make-Up time is defined as when a non-exempt employee asks his or her supervisor for additional time off to attend to personal matters. If the request is granted, this time off will be without pay. If you wish to make up this missed time, you may submit a "Make-Up Time Request Form" to your supervisor before the make-up time is worked. It is within the supervisor's discretion to grant the request. Make-Up time must be worked in the same workweek as the missed time (including prior to the missed time) in order not to incur overtime. You may not work over forty (40) hours total in the week including make-up time.

### **Exempt Employee Time Off**

Exempt employees of VCEA are paid a salary, which compensates them for working as many hours as required to complete their job duties. Exempt employees do not receive overtime pay. We realize, however, that in instances of extraordinary additional pressure or increased work hours, it may be appropriate for supervisors to recognize the exempt employee's efforts by granting the employee extra time-off separate from and in addition to the employee's accrued PTO time. In order to achieve consistency among supervisors and fairness to the exempt employees, supervisors should use the following guidelines when exercising their discretion to grant additional time off:

1. Limit the amount of additional time-off to no more than two days;
2. Require the employee to take the time-off in the week immediately following the increased hours whenever possible and;
3. Do not allow employees to accumulate any granted but unused time-off

### **Lactation Accommodation**

VCEA will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child. The break time shall, if possible, run concurrently with any break time already provided to the employee. VCEA shall provide the employee with the use of a room or other location, other than a toilet stall, in close proximity to the employee's work area, for the employee to express milk in



private. If special arrangements are made to provide a non-exempt employee extra time beyond her normal rest period, the time will be unpaid.

### **Payment of Wages**

Paydays are semi-monthly, the 15<sup>th</sup> and last day of the month. There are 24 pay periods in a year. The workday (a 24-hour, consecutive period) begins at 12:01 a.m. and ends at midnight. The workweek begins on Sunday and ends on Saturday.

If a regular payday falls on a weekend or holiday, you will be paid on the first day of work prior to the regularly scheduled payday. If there is an error on your check, please report it immediately to your supervisor.

For your convenience, we offer a direct deposit option.

### **Advances**

We do not permit advances against paychecks or against unaccrued PTO.

### **Payroll Deductions, Wage Attachments and Garnishments**

VCEA makes certain deductions from every employee's paycheck. Among these are applicable federal, state, and local income taxes, social security and Medicare taxes, state disability insurance contributions, and paid family leave contributions. By law, VCEA is also required to honor legal attachments and garnishments of an employee's wages or salaries. If your wages are attached, we will withhold the specified amount to satisfy the terms of the attachment.

### **Reporting Time Pay**

Reporting time pay will be paid under the following conditions:

1. Reporting time pay to non-exempt is owed when you report to work at your regularly scheduled time, but you are given less than half the usual or scheduled day's work. In this case, you will be paid for at least half of the hours you were scheduled to work, but never less than two hours pay, and never more than four hours pay.
2. Reporting time pay is also owed if you are required to report to work a second time in any one (1) workday and are given less than two (2) hours work on the second reporting. In this case you will receive at least two (2) hours pay for the second appearance.

These provisions do not apply if you are on a paid "standby" or "on call" status. In some instances, you may not receive reporting time pay. Reporting time pay does not apply if public utilities fail, such as water, gas, electricity, or sewer and/or when work is interrupted by an "act of God" or other causes not within VCEA's control.

### **Payment for Hours Worked During Business Travel for Non-Exempt Staff**

Whenever possible, non-exempt employees traveling on agency business are expected to do so during normal working hours. In the very rare instance where your travel time constitutes overtime, you will be paid overtime as required by law. Non-exempt employees will be paid for all hours worked, including out of town travel time, at regular and overtime pay rates according to the law. Pay for travel time may be at a rate of pay that is less than the employee's normal rate of pay.

If you are non-exempt and traveling on business, you will not be paid for time between work assignments; e.g., if you stay the night in a hotel, pay begins when you begin to work, or are in transit. Travel is to be scheduled in advance, in writing by your supervisor, with the knowledge of the Executive Officer.

Non-exempt travel may be approved on an as-needed basis, but only with prior authorization from your supervisor.

### **Pay for Mandatory Meetings for Non-Exempt Staff**

VCEA will pay you for your attendance at meetings, lectures and training programs if all of the following conditions are met:

1. Attendance is mandatory (i.e. required by VCEA).
2. The meeting, course, or lecture is directly related to your job.
3. You are notified of the necessity for such meetings, lectures, or training programs by your supervisor (i.e. pre-approval by management is required)

If you meet the above conditions, you will be compensated at your regular rate of pay. If you are required to travel, then travel pay will be provided. You will not receive compensation for voluntary attendance in courses that are conducted outside of normal business hours and/or that are not directly related to your current job.

## **Standards of Conduct**

### **Professional Business Conduct and Ethics**

By accepting employment with VCEA, you have a responsibility to VCEA and to your fellow employees to adhere to certain codes of behavior and conduct. The purpose of these rules is to ensure that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our agency will be a better place for everyone to work.

Generally speaking, we expect you to act in a mature and responsible way at all times. VCEA values honesty in communication and personal responsibility. To avoid any possible confusion, some of the more obvious unacceptable activities are noted below. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please ask for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in disciplinary action up to and including immediate suspension or termination:

### **Unacceptable Activities:**

1. Generally, conduct which is disloyal, disruptive, or damaging to VCEA.
2. Falsification of timekeeping records.
3. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by VCEA; alteration of agency records or other agency documents.
4. Working under the influence of alcohol or illegal drugs, including marijuana.

5. Theft or inappropriate removal or possession of agency property or the property of fellow employees; unauthorized use of agency equipment and/or property for personal reasons.
6. Possession, distribution, solicitation, sale, transfer, or use of alcohol or illegal drugs, including marijuana, in the workplace, while on duty, or while operating agency-owned vehicles or equipment.
7. Fighting, threatening, or coercing fellow employees on agency property or during working hours, for any purpose.
8. Boisterous or disruptive activity in the workplace.
9. Negligence or any careless action leading to damage of agency-owned or customer-owned property or which endangers the life or safety of another person.
10. Obscene or abusive language toward any supervisor, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on agency premises.
11. Insubordination or other disrespectful conduct; refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment.
12. Violation of security or safety rules or failure to observe safety rules and/or practices; failure to wear required safety equipment; tampering with VCEA equipment or safety equipment.
13. Creating or contributing to unsanitary conditions in the workplace.
14. Smoking in prohibited areas.
15. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.
16. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.
17. Excessive absenteeism; failure to report an absence or late arrival.
18. Unauthorized absence from work station during the workday; sleeping or loitering during working hours.
19. Unauthorized use of telephones, mail system, or other agency-owned equipment.
20. Originating, spreading, or taking part in malicious gossip or rumors about employees of VCEA.
21. Unauthorized disclosure of business "secrets" or confidential information; giving confidential or proprietary information to competitors or other organizations or to unauthorized VCEA employees; breach of confidentiality of personnel or agency information.
22. Violation of agency rules or policies; any action that is detrimental to VCEA's efforts to operate profitably.
23. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.
24. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on agency premises.
25. Gambling on agency property.
26. Failure to immediately report any damage or accident involving agency equipment or vehicles.
27. Failure or refusal to comply with the work schedule, including mandatory overtime.
28. Using, removing, or borrowing agency equipment or property without prior authorization.
29. The use of abusive or threatening language or actions toward anyone.

This list is not exhaustive. Rather, we ask that you keep in mind at all times the need to conduct yourself with reasonable and proper regard for the welfare and rights of all our employees and for the best interests of the agency. This statement of prohibited conduct does not alter VCEA's policy of at-will employment. Either you or

VCEA remains free to terminate the employment relationship at any time, with or without reason or advance notice.

### **Performance Evaluations**

VCEA encourages an open dialogue between an employee and his or her supervisor on an informal, regular basis. We believe this type of interaction increases job satisfaction for both the employee and VCEA.

Formal performance evaluations will be conducted annually or with frequency dependent on length of service, job position, past performance, changes in job duties, or recurring performance problems. After the review, you will be asked to sign the evaluation report to acknowledge that it has been presented to you and discussed with you by your supervisor, and that you are aware of its contents.

Positive performance evaluations do not guarantee increases in salary, bonuses, or promotions. Salary increases, bonuses, and promotions are solely within the discretion of VCEA, and depend upon many factors in addition to performance. Having your compensation reviewed does not necessarily mean that you will be given an increase.

VCEA uses a discretionary pay-for-performance compensation model to support the highest levels of organizational performance. The intent is to reward individual employee effort and results commensurate with their contributions and impact toward achieving the goals and objectives of the agency. The primary form of a performance reward is a merit increase. These base pay increases move an employee through their salary range and support the agency's retention goals by ensuring employee pay remains competitive with similar roles in the market. Employees who meet or exceed their goals and objectives, as evidenced by the employee receiving an overall rating of 2.0 (Effective) or higher on their year-end Performance Check-in, may be eligible to receive a merit increase (an adjustment in base salary) based on that performance. In limited cases, and with written justification from the supervisor, manager, and Director, an employee with an overall performance rating of less than 2.0 (Effective), may be considered for a reduced base salary.

Performance bonuses also may be used to reward employees when superior performance, as defined below, has been demonstrated in achieving goals and objectives. In most cases, performance bonuses are used to supplement merit increases, or instead of merit increases, when an employee is at or close to the top of their salary range. "Superior performance" is evidenced by an employee receiving a rating of 3.0 (Highly Effective) on one or more goals that, in total, represent at least 25% of the employee's assigned work during the year. "Superior performance" also may be evidenced by an employee receiving an overall rating of 2.5 or higher on their year-end Performance Check-in. Recommendations for performance bonuses must be justified in writing by the supervisor and/or manager and fully describe the efforts put forth by the employee that demonstrates superior performance.

The written justification, and approval of the bonus, are retained. Funding for performance bonuses is included in the annual budget or a budget amendment and approved by the Board of Directors. Performance bonuses are not guaranteed and may not be available due to budget constraints or other business reasons.

## **Compensation Equity**

A pay equity increase may be granted to an employee under certain circumstances, such as the following: a significant lag in salary exists relative to market conditions or between employees with comparable job functions who have similar levels of experience, skills and knowledge, and demonstrated performance; an employee's assigned functions or work tasks increase the scope of the position but do not warrant reclassification; salary compression exists between supervisors and their employees; in order to address retention of employees with highly specialized skills or due to competitive job markets. In addition, a discretionary agency-wide pay equity adjustment for inflation in accordance with the U.S. Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) may be made at the option of the Board of Directors.

Recommendations for pay equity increases are prepared by the Director of Finance and Internal Operations and must be approved by the Executive Officer. Employees approved for a pay equity increase will be notified, and adjustments may be paid retroactively to the first pay period of the current calendar year. Funding for pay equity increases is included in the compensation identified in the annual budget and approved by the Board of Directors. Pay equity increases are discretionary and may not be available due to budget constraints or other business reasons

## **Problem Resolution**

At some time, you may have a complaint or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints and questions are of concern to us. We ask that you take your concerns first to your supervisor, following these steps:

1. Bring the situation to the attention of your immediate supervisor who will then review your concern and provide a solution or explanation.
2. If the problem remains unresolved, you may present it in writing to the Executive Officer who will work towards a resolution.

This procedure, which we believe is important for both you and us, cannot result in every problem being resolved to your satisfaction. However, we value your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

## **Alcoholic Beverage Consumption**

Due to the high risk and liability involved, VCEA will not provide alcoholic beverages at social gatherings to VCEA employees. This policy applies to the following:

1. Birthday parties;
2. Office parties;
3. Office picnics; and
4. Recreational activities (i.e. organized team sports)

## **Drug and Alcohol Abuse and Testing**

VCEA is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. We comply with state and federal drug abuse regulations, including the Drug-Free Workplace Act of 1988. Use of these illegal substances (whether illegal under California or federal law) whether on or off the job can adversely affect your work performance, efficiency, and safety and health. The use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees, and exposes VCEA to the risks of property loss or damage, or injury to other persons. Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect your job performance and seriously impair your value to us. Any employee who is using prescription or over-the-counter drugs that may impair your ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work. All precautions necessary to preserve your privacy will be taken. You must adhere to the rules stated in this policy as a condition of employment. Failure to comply with this policy may result in discipline, including termination. The Executive Officer has been designated to administer this policy, monitor the program and make reports as required by law.

If there is ever a reasonable basis to suspect you of violating the drug and alcohol policy and being under the influence during working hours, you will be requested to immediately submit to a drug and/or alcohol test. Suspicion will be based on objective symptoms, such as factors related to your appearance, behavior and speech. A reasonable basis may also exist if you are found to be in possession of illegal drugs, alcohol or paraphernalia connected with the use of an illegal drug. Possession of illegal drugs or alcohol is prohibited even if you have not used these substances.

The following rules and standards of conduct apply to all employees either on agency property, or during the workday (including meals and rest periods). The following are strictly prohibited by VCEA:

1. Possession or use of alcohol or illegal drugs, including marijuana, or being under the influence of alcohol or illegal drugs while on agency premises or at any time on duty.
2. Driving an agency vehicle or driving for agency business in a private vehicle while under the influence of alcohol or illegal drugs, including marijuana.
3. Distribution, sale, or purchase of an illegal or controlled substance while on agency premises or at any time on duty.
4. Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on agency premises or at any time while working.
5. Any drug or alcohol statute conviction. You must notify VCEA within 5 days of such conviction.

In order to enforce this policy, we reserve the right to conduct searches of agency property and to implement measures necessary to deter and detect abuse of this policy.

In the event of suspicion of use in connection with an on the job accident, you may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. VCEA will test for alcohol, cannabinoids, (THC), Opiates, i.e. codeine and morphine, Cocaine metabolites, Amphetamines, i.e. amphetamine and metamorphines, adulterants low creatine levels and Phencyclidine. VCEA

assures that any information concerning your drug and/or alcohol use will remain confidential. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment.

If the results of your drug and/or alcohol test are positive, VCEA will take disciplinary action which may include suspension or immediate termination. The disciplinary action will be based on the seriousness of the offense and your past performance. If you return to work after testing positive for drugs and/or alcohol, you may be required to consent to unannounced tests for drugs and/or alcohol for a specified period as a condition of continued employment. In the event that you test positive, you may request a second test to be performed by a reliable drug testing agency, at your expense.

Any conviction you receive on a charge of illegal sale or possession of any controlled substance will not be tolerated. In addition, we must keep people who use, sell, or possess controlled substances off VCEA's premises in order to keep the controlled substances themselves off the premises.

Violation of the above rules and standards of conduct will not be tolerated. VCEA may bring the matter to the attention of appropriate law enforcement authorities.

VCEA's policy on drug and alcohol in no way limits or alters the at-will employment relationship.

### **Customer and Public Relations**

The success of VCEA depends upon the quality of the relationships between VCEA, our employees, and our customers, suppliers and the general public. Our customers' impression of VCEA and their interest and willingness to do business with us are formed by how you serve them.

The opinions and attitudes that customers have toward our agency can be affected for a long period of time by the actions of just one employee. It is sometimes easy to take a customer for granted, but when we do, we run the risk of not only losing that customer, but their associates, friends or family who also may be customers or prospective customers.

Here are several things you can do to help give customers a good impression of VCEA:

1. Customers are to be treated courteously and given proper attention at all times. Never regard a customer's questions or concerns as an interruption or an annoyance. Customer inquiries, whether in person or by telephone, must be addressed promptly and professionally.
2. Never place a telephone caller on hold for an extended period of time. Direct incoming calls to the appropriate person and make sure that the call is answered.
3. Act competently and deal with customers in a courteous and respectful manner. Through your conduct, show your desire to assist the customer in obtaining the help that he or she needs. If you are unable to help a customer, find someone who can.
4. All correspondence and documents, whether to customers or others, must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.
5. Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your supervisor to intervene.

6. Communicate pleasantly and respectfully with other employees at all times.

These are the building blocks for your and VCEA's continued success.

### **Confidentiality**

It is your responsibility to safeguard confidential information obtained during your employment with us, including financial information obtained from customers and private information about other employees.

You may in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor.

If you are questioned by someone outside VCEA or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor or the Executive Officer.

It is also important to remember that you may not disclose or use proprietary or confidential information except as your job requires. You may not keep or retain any originals or copies of reports, notes, proposals, customer lists or other confidential and proprietary documents, equipment, supplies, or property belonging to VCEA. Any and all copies or originals of reports, and notes belong to VCEA and must be turned over to VCEA within twenty-four (24) hours of termination of employment.

You are not permitted to remove or make copies of any VCEA records, reports or documents without prior management approval. Do not post confidential information about VCEA, customers, employees, or affiliates on any social media. Disclosure of confidential information could lead to termination, as well as other possible legal action.

### **Conflict of Interest**

As an employee of VCEA, you must avoid actual or potential conflicts of interest with VCEA. If you are found to have a conflict of interest, you may be subject to discipline, including termination. You should contact your supervisor with any questions about this policy. Prohibited activities include, but are not limited to:

1. Having a direct or indirect financial relationship with a VCEA customer, vendor, or supplier; however, no conflict will exist in the case of ownership of less than 1 percent of a publicly traded corporation.
2. Engaging in any other employment or personal activity during work hours, or using VCEA's name, logo, equipment or property, including stationery, office supplies, computers, telephones, fax machines, postage, and office machines, for personal purposes.
3. Soliciting agency employees, suppliers, or customers to purchase goods or services of any kind for non-agency purposes, or to make contributions to any organizations or in support of any causes.
4. Soliciting or entering into any business or financial transaction with another employee whom the soliciting employee supervises, either directly or indirectly, such as hiring the employee to perform personal services or soliciting the employee to enter into an investment.



### **Solicitation**

You are not permitted to solicit or distribute literature during working time. Working time includes both your working time and the working time of the employee to whom the solicitation or distribution is directed. Similarly, distribution of written solicitation material in working areas is prohibited at all times. If you wish to distribute fundraising items such as cookies, candy, and coupon books for sale, you may place them without solicitation in your workstation or VCEA break rooms.

### **Media Contact**

If you are contacted by a news organization regarding VCEA business, please direct all media inquiries to your supervisor, the Executive Officer, or the Director of Marketing.

### **Employment of Friends or Relatives**

The employment of friends and relatives in the same area of an organization may cause conflicts of interest and appearances of impropriety. In addition, personal conflicts may impact the working relationship of the parties. Although VCEA does not prohibit the hiring of friends and relatives of existing employees, VCEA is committed to monitoring situations in which friends or relatives work in the same area. In the event of an actual or potential problem, VCEA's response may include reassignment or termination of one or both of the individuals involved. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with an employee is similar to that of persons who are related by blood or marriage, or one who is a domestic partner.

### **Personal Relationships in the Workplace**

VCEA desires to avoid misunderstandings, complaints of favoritism, claims of sexual harassment, and employee dissension that may result from personal or social relationships amongst employees. Therefore, VCEA asks that if you become romantically involved with another employee that you disclose your relationship to a supervisor with whom you feel comfortable. This information will be kept as confidential as possible. For purposes of this provision, "romantically involved" will be interpreted broadly. VCEA reserves the right to take necessary and appropriate action to resolve any potential conflict of interest arising out of romantic involvement among employees. Depending on the facts of the situation, such action may include reassignment or termination of one or both of the employees involved.

VCEA is committed to maintaining a professional work environment where supervisors treat all employees fairly and impartially. Accordingly, supervisors are not allowed to date, or become romantically or intimately involved with, employees who report to them directly or indirectly. Also, spouses and immediate family members are prohibited from working in positions where they directly report to, or are reported to, by their spouses or family members. Personal relationships very often cause problems in the workplace, such as a lack of objectivity towards the subordinate's job performance, the perception of favoritism by other employees (whether justified or not), and potential sexual harassment complaints.

For purposes of this policy, "immediate family" includes significant others (such as unmarried couples who live together), domestic partners, step-parent and step-child relationships, in-law relationships, grandparents and cousins (including analogous relationships with the parents and children of an employee's significant other). This policy covers all family-like relationships, regardless of blood or legal relationships.

Employees who are currently dating one another, or employees who are married or related and report to or supervise each other, may request to be transferred in order to comply with this policy. When possible, VCEA will attempt to accommodate such requests. Please understand, however, that VCEA reserves the right not to transfer employees based on conflicting business considerations.

Unprofessional behavior in the workplace, such as sexually related conversations, inappropriate touching (i.e., kissing, hugging, massaging, sitting on laps) another employee, and any other behavior of a sexual nature, is prohibited.

If two employees marry or become related, causing actual or potential problems such as those described, only one of the employees will be retained with VCEA unless reasonable accommodations can be made to eliminate the actual or potential conflict. The employees will have 30 days to decide which relative will stay with VCEA. If this decision is not made in the time allowed the Executive Officer will make the decision, taking the employment history and job performance of both employees as well as the business needs of VCEA into account. Supervisors who have any questions about the application of this policy to an employee or applicant should contact the Executive Officer.

### **Dress Policy**

You are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person. A neat, tasteful appearance contributes to the positive impression you make on our customers.

Business casual dress is generally expected which should include nice shoes, slacks, pantsuits, dresses, skirts, and shirts (and possibly suits and ties when appropriate). Violating dress code standards may subject you to appropriate disciplinary action.

## **Day-to-Day Operations**

### **Employer and Employee Property**

Routine inspections of agency property might result in the discovery of an employee's personal possessions. You are encouraged not to bring into the workplace any item of personal property which you do not want to reveal to VCEA.

All desks, lockers, offices, work spaces, credenzas, cabinets, electronic mail (e-mail), telephone systems, office systems, computer systems, any and all electronically issued technology, agency vehicles and other areas or items belonging to VCEA are open to VCEA and its employees. **YOU SHOULD HAVE NO EXPECTATION OF PRIVACY IN ANY OF THESE AREAS.** Personal items and messages or information that you consider private should not be placed or kept in any of these places or areas belonging to VCEA.

Storage areas, work areas, file cabinets, credenzas, computer systems and software, office telephones, cellular telephones, any and all electronically issued technology, modems, facsimile machines, copy and scanner machines, tools, equipment, desks, voice mail, and electronic mail are the property of VCEA, and need to be maintained according to agency rules and regulations.

Desks and work areas must be kept clean, and are to be used for work-related purposes. VCEA's property is subject to inspection at any time, with or without prior notice. Prior authorization must be obtained before any of VCEA's property may be removed from the premises.

For security reasons, you should not leave personal belongings of value in the workplace. Personal items, lockers and desks are subject to inspection and search, with or without notice, and with or without your prior consent.

Terminated employees should remove any personal items at the time of separation. Personal items left in the workplace by previous employees are subject to disposal if not claimed at the time of your termination.

### **Electronic Systems and Privacy**

Access to VCEA's electronic systems is provided for work-related purposes. There should be NO expectation of privacy in connection with the use of electronic systems, including stored e-mail/voice mail/text messages or any messages sent electronically. All messages created, sent, received or stored in these systems are and remain the property of VCEA. VCEA reserves the right to retrieve and review any message composed, sent or received via the system. Please note that even when a message is deleted or erased, it is still possible to recreate the message; therefore, the ultimate privacy of messages cannot be ensured to anyone.

To safeguard and protect the proprietary, confidential and business-sensitive information of VCEA, and to ensure that the use of all electronic systems and equipment is consistent with VCEA's legitimate business interests, authorized representatives of VCEA may monitor the use of such systems from time to time without notice, which may include printing and reading materials, files on the system, list servers, and equipment.

You should be aware that e-mail messages, like VCEA correspondence, and any and all messages sent electronically may be read by other VCEA employees and outsiders under certain circumstances. While it is impossible to list all of the circumstances, some examples are the following: (1) during system maintenance of the e-mail system, (2) when VCEA has business needs to access the employee's mailbox, (3) when VCEA receives a legal request that requires disclosure of e-mail messages, or (4) when VCEA has reason to believe the employee is using e-mail in violation of VCEA policies.

### **Social Media Guidelines**

VCEA understands that various forms of communication occur through social media, such as Facebook, Twitter, LinkedIn, blogs, and multimedia host sites such as YouTube. Such communications occur in social networking, blogs, and video sharing and similar media. It should be remembered that social media sites do not provide a private setting. Employees who communicate information through social media therefore should not expect that such information is private

Employees must remember that all existing policies apply to information disseminated through social media. These guidelines are intended to help employees understand some of the unintended outcomes of sharing information through social media.

### **Application of Policies**

The employer's policies and standards apply to conduct that occurs in the workplace and while employees are on duty, wherever they happen to be. They also apply to activities that occur during an employee's own time,

outside of work, if the activities have an actual or potential impact on the employee's performance, the performance of coworkers, or the employer. Employees should therefore understand that they are responsible for certain activities that occur off the employer's premises or on their own time both to the employer and third parties. Nothing in this policy prevents employees from exercising their broad rights to discuss the terms and conditions of employment with others, to take action with others to improve your working conditions, or to otherwise exercise their rights to engage in protected concerted activity.

### **General Policies**

VCEA's policies regarding workplace conduct and interpersonal interactions are embodied in a number of policies, including policies that protect VCEA's legal interests and confidential information.

The policies also prohibit unlawful harassment and discrimination and require employees to use work time in an appropriate manner.

The principles set forth in VCEA's policies apply equally to social media, even when the policies do not refer specifically to social media. Violations of any policy through social media or networking will be appropriately addressed when brought to management's attention.

Illustrations of some of the relevant policies and how they may apply to social media are provided below. The following guidelines apply to all employees when they are at work and away from work.

#### **General expectations**

- Employees may not post or transmit any material or information that includes confidential, proprietary or trade secret information, or information that is untrue, defamatory, obscene, profane, threatening, harassing, abusive, hateful or humiliating to another person or entity. This includes, but is not limited to, comments regarding VCEA or its employees or customers. Employees should ask their supervisors and refer to agency policies if they have any questions about what is appropriate to include in communications involving social media.

#### **Harassment**

- VCEA will not tolerate intimidation, bullying or threats of violence among co-workers and such acts, even if occurring outside of work, will result in serious consequences, including termination.
- VCEA maintains a strict policy prohibiting harassment of any kind. Harassment is inappropriate and contrary to VCEA policy if it is based upon any legally protected characteristic. It includes unwelcome verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile work environment or unreasonably interferes with work performance.

#### **Reputation**

- Employees should act responsibly and remember that untrue or defamatory postings can have serious consequences. Do not create fake blogs or false reviews of VCEA or its customers.

#### **Acceptable Use Guidelines**

- E-mail and Internet access is provided to support VCEA's business operations. Incidental use of e-mail and internet for personal reasons is permissible during non-working periods during the workday,

provided it is not excessive and provided it does not interfere with VCEA business. Any use that includes tapping into electronic social media should be consistent with VCEA's values, policies and applicable laws.

- Participation in social media sites should be limited during work time; incidental use during break time is not prohibited by this policy. Under no circumstances may employees access social media sites while performing safety-sensitive functions such as driving.

#### Opinions

- Employees should not speak on behalf of VCEA without proper authorization to do so. Employees should at all times make it clear that their opinions do not represent those of VCEA. They should include disclaimers in online communications advising that they are not speaking officially or unofficially on behalf of the organization.
- Employees may not use VCEA's logo or proprietary graphics to imply that you are speaking on behalf of VCEA.

#### Questions

- Employees who have concerns regarding workplace conduct or inappropriate behavior or comments are encouraged to contact the Executive Officer for further guidance.

#### **Additional Guidance and Information**

While VCEA's policies offer very clear direction on some issues, there are other areas where common sense must prevail. When in doubt about posting, employees should consider the following:

- There is no expectation of privacy when engaging in social media networking activities. You may know everyone in the room when you have a conversation in person. This will not apply with social networking applications. You may not have full control over how your comments are perceived or shared.
- These are public forums. As a practical matter, it may be impossible to delete information that is shared. Comments may be publicly available for years.
- Even when you do not identify your employer by name in the communication or posting, some readers are likely to know where you work. Keep this in mind when you consider posting or transmitting comments that may be work-related. This should also be considered when creating your profile.
- Do not state or imply that the opinions you express are those of VCEA, its management, or other employees. Include a disclaimer to this effect.

#### **Telephone Usage**

You may use agency telephones for local or personal calls within reason. You are not to charge long distance personal telephone calls to VCEA. You are expected to limit personal calls so they do not become excessive or disruptive to your work or work area.

#### **Cell Phone Usage**

VCEA realizes that in our fast-paced business environment, meeting our goals and staying in touch with our customers and co-workers is a necessary process in working efficiently. But, first and foremost, we want to

preserve the safety of our employees and those in the community. California law limits the use of cell phones while driving to those having hands-free operation.

This law provides that, it is illegal to drive a motor vehicle while using a wireless telephone, unless that telephone is designed and configured to allow hands-free listening and talking operation, and is used in that manner while driving.

Additionally, writing, sending, or reading text-based communications on your cell phone while driving is also prohibited under California law. This includes text messaging, instant messaging, and e-mail. You will be responsible for any tickets you receive if you violate this law.

Use of a hands-free cell phone is required while driving for agency business. An option is that you pull over while driving to place or receive calls on your cellular phones. There is a great potential for harm to you and to others if this policy is violated.

Personal cell phone use is not needed or required for work purposes and should not be used for work.

### **Workplace Monitoring**

Workplace monitoring, both human and electronic, may be conducted by VCEA to ensure quality control, employee safety, compliance with VCEA policies, security, and customer satisfaction.

Customer sites may also utilize video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence.

Because VCEA is sensitive to your legitimate privacy rights, every effort will be made to see that workplace monitoring is done in an ethical and respectful manner.

### **Travel Expense Policy**

VCEA will reimburse you for work-related travel expenses such as transportation, overnight accommodations and meals. You should have your supervisor's approval before incurring travel expenses. All requests for reimbursement must be submitted to the Executive Officer for approval along with supporting documents or original invoices.

Non-exempt employees will be paid for time spent traveling and in conference sessions. If you are required to use your personal automobile on work-related business, VCEA will reimburse you for mileage at the current IRS reimbursement rate and for parking expenses. You should submit the appropriate expense form to the Executive Officer for approval and then forward it to accounting for payment once per month. If you use your personal vehicle for work-related travel you are expected to maintain at least the minimum insurance required by law.

## **Agency Property and Equipment**

Equipment essential to accomplishing job duties is often expensive and may be difficult to replace. When using agency property, you are expected to exercise care, arrange for required maintenance, and follow all operating instructions, safety standards, and guidelines.

VCEA requires that all equipment be in proper working order and safe to work with at all times. If any equipment appears to be damaged, defective, or in need of repair, do not use it until a qualified technician certifies that it is repaired and safe. Never try to fix broken equipment yourself. Please notify your supervisor of any equipment breakdown as soon as it happens. If the breakdown requires emergency repairs, your supervisor will help you deal with the emergency situation as soon as possible. Prompt reporting of damages, defects, and the need for repairs could prevent possible personal injury and deterioration of equipment. Please ask your supervisor if you have any questions about your responsibility for maintenance and care of equipment used on the job.

If you are authorized to operate an agency vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you must adhere to the following rules:

1. You must be a licensed California driver and must maintain at least the minimum insurance required by law.
2. You must maintain weekly mileage reports.
3. You are responsible for following all the manufacturer's recommended maintenance schedules so as to maintain valid warranties, and for following the manufacturer's recommended oil change schedule.
4. VCEA provides insurance on agency vehicles. However, you will be considered completely responsible for any accidents, fines, moving or parking violations.
5. If involved in an accident do not admit fault, only provide required insurance and personal DMV information.
6. You must keep VCEA vehicle clean at all times.
7. Persons not authorized or employed by VCEA cannot operate or ride in an agency vehicle.
8. Prior to operation of any agency vehicle, your supervisor will train you on the appropriate steps to take if you are involved in an accident, such as filling out the accident report, getting names and phone numbers of witnesses and so on.

If you are required to drive an agency vehicle or your own vehicle for agency business, you will also be required to show proof of a current, valid driver's license and current effective auto insurance coverage prior to the first day of employment.

If you drive your own vehicles on agency business you will be reimbursed at the current IRS reimbursement rate.

You are responsible for all agency property, materials, or written information issued to you or in your possession. You may be asked to sign an acknowledgment of receipt of agency property issued to you. All agency property must be returned on or before your last day of work. You may be responsible for the replacement cost of agency property not returned.

Agency cars are for agency business only, and only authorized employees may drive agency cars. Employee spouses, children, friends or anyone other than the employee may not operate these vehicles, unless an emergency arises. A violation of these rules, or excessive or avoidable traffic and parking violations may result in disciplinary action, up to and including termination.

### **Personal Use of Agency Property**

You are not allowed to use agency owned property for personal use. The definition of “agency owned” assets includes, but is not limited to, facilities, computers, and their related equipment, labelers, copy machines, postage meter, any type of supplies including office supplies, tools, vehicles, credit cards, etc. These assets are provided to you for agency related business only.

Please also remember that all desks, lockers, cabinets, computers and vehicles that belong to VCEA will be open to all agency employees. Personal items, messages or information that you consider private should not be placed or kept in telephone systems, office systems, agency computer systems, office work spaces, desks, and credenzas or file cabinets.

If you are issued an agency credit card you are responsible for the use of that card. Under no circumstances will VCEA allow you to sign an agency credit card unless the card being signed is issued in your name. Signing another employee’s credit card will result in liability for the expense and may subject you to immediate termination. If you hold an agency credit card you may only give permission to another employee to make an authorized business purchase or reservation using your card with prior approval from the Executive Officer of VCEA. Any holders of agency credit cards or authorized users who transact a non-business related charge may be subject to immediate termination. Receipts for all credit card transactions must be given to the Finance Director along with an explanation of the purchase.

### **Driving Record and Insurance**

As a condition of employment, we require you to maintain an acceptable driving record if you drive for agency business. Any accidents or traffic violations must be reported to a supervisor immediately if they occur during the course of your duties. You will be responsible for any tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle. Failure to report an on-the-job motor vehicle accident, no matter how minor, will lead to disciplinary action, up to and including termination. Additionally, you are required to maintain the level of insurance required by the state of California. A copy of your insurance card must be on file before you will be allowed to drive for agency business.

### **Health and Safety**

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all VCEA activities. We want to protect you against injury and illness, as well as minimize the potential loss of production. To achieve our goal of maintaining a safe workplace, everyone must be safety conscious at all times. In compliance with California law, and to promote the concept of a safe workplace, we maintain an Injury and Illness Prevention Plan (IIPP). The IIPP is available for your review from the Director of Finance & Internal Operations. The Director of Finance & Internal Operations has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.



You will receive a copy of VCEA's general safety rules and will receive health and safety training as part of this program. A complete copy of the Safety Program is kept by the Executive Officer and is available for your review.

### **Smoking Policies**

Smoking, use of e-cigarettes or vapor products is not allowed in any enclosed area of the building, or within 25 feet of any entrance of the building or in any agency vehicle. In fairness to those who do not smoke, smoking is allowed only during breaks and lunch and only outside of the office or building.

### **Security**

To provide for the safety and security of you, our customers and our facilities, only authorized visitors are allowed in the work areas. To ensure the safety of our guests, we encourage family and friends to check in when visiting you at the workplace.

The following security procedures should always be followed to ensure your safety and the safety of your fellow employees, and to ensure the confidentiality of VCEA's information. At no time should unauthorized persons be allowed to roam unescorted through VCEA's office. It is a matter of courtesy to accompany customers and guests to and from the exits and other office to which they may be destined. If strangers are encountered in our office who do not satisfactorily identify themselves or the person with whom they will be meeting, escort them to the front of the office. If they resist, contact your supervisor immediately.

Be aware of persons loitering for no apparent reason in other non-office areas (e.g., in parking areas, walkways, entrances/exits and service areas). Report any suspicious persons or activities to your supervisor. Secure your desk at the end of the day or when called away from your work area for an extended length of time and do not leave valuable and/or personal articles in or around your workstation that may be accessible. Please report any lost facility keys to your supervisor immediately.

### **Workplace Violence**

VCEA recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, careful response by all employers. The costs of workplace violence are great, both in human and financial terms.

VCEA has adopted the following policies to ensure the safety of its employees and to provide guidance on dealing with violence in the workplace. If qualified, you may provide first aid to injured persons. You are required to:

1. Immediately report all indirect and direct threats of violence to a supervisor.
2. Immediately report all suspicious individuals or activities to a supervisor.
3. Never put yourself or others in peril.
4. Immediately call 911 and seek shelter if you hear a violent commotion near your workstation.
5. Cooperate fully with security, law enforcement, and medical personnel who respond to a call for help.
6. Direct all inquiries from the media about violence on VCEA premises to your supervisor or the Executive Officer.

The Executive Officer of VCEA will make the sole determination of whether, and to what extent, threats or acts of violence will be acted upon by the agency. In making this determination, we may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe that workplace violence has occurred. No provision of this policy shall alter the at-will nature of employment at VCEA.

### **Off-Duty Use of Facilities**

You are prohibited from being on agency premises, or making use of agency facilities, while not on duty. You are expressly prohibited from using agency facilities, agency property or agency equipment for personal use.

### **Parking**

You are encouraged to use the parking areas designated for our employees. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will help eliminate accidents, personal injuries, and damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor. VCEA cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents. You will be responsible for any parking tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle.

### **Employee Suggestion Program**

We encourage you to bring forward your suggestions and good ideas about how our agency can be made a better place to work and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisors. All suggestions are valued and listened to.

## **Employee Benefits**

### **Benefits**

VCEA has developed and invested in an employee benefit program to supplement your regular wages. VCEA will continue these benefits as agency resources allow; however, we reserve the right to change or eliminate any benefit program at any time (including increasing the employee's share of the cost).

Our benefit program consists of programs which may include health, dental, and vision coverage, life insurance, paid time off (PTO) and holiday pay. In addition, there are a number of programs available to employees through other sources such as State Disability, Paid Family Leave, Unemployment Insurance, Social Security and Workers' Compensation. Eligibility to participate in some of these programs is determined by your employee classification and length of continued service with VCEA.

### **Official Health Plan Documents**

The employee handbook contains a number of brief summaries of the benefit programs that the employer provides for eligible employees. The purpose of these summaries is simply to acquaint you with the general provisions of the applicable plans; they do not contain full statements of all of the terms, conditions, and

limitations of the plans. If there are any real or apparent conflicts between the brief information in the handbook and the terms, conditions and limitations of the official plan documents, the provisions of the official plan documents will be considered accurate. You are encouraged to review all plan documents carefully to familiarize yourself with all of the provisions of the plans.

## **Paid Time Off (PTO)**

### **Eligibility**

Paid Time Off (PTO) is an all purpose time-off policy for eligible employees to use for the following: vacation; the diagnosis, care, treatment of an existing health condition; preventative care of an employee or family member; for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance; illness or injury; and personal business. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, in-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status). Personal business also includes time spent for jury duty, bereavement, and time off to vote. Regular full-time employees are eligible to earn and use PTO as described in this policy.

PTO begins accruing upon your date of hire. Employees may begin using PTO upon your 90th day of employment. At that time, you can request the use of earned PTO including that accrued during the waiting period.

### **Accrual**

Regular, full-time employees accrue 6.67 hours of PTO per pay period (24 pay periods per year) in your first year of eligibility – 160 hours. After your first anniversary, and thereafter, you will receive an additional eight (8) hours per year, which will accrue at an additional rate of .34 hours per pay period. Once you have worked for the agency for ten (10) years, you will not accrue any additional PTO.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when you start to earn PTO. You will not earn PTO while you are out on an unpaid leave of absence. Therefore, your benefit year may be extended if you go out on a leave of absence other than a military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

### **Scheduling PTO**

PTO can be used in minimum increments of one (1) hour for non-exempt employees. Exempt employees may use PTO in ½ day or 1 full day increments. If you have an unexpected need to be absent from work you should notify your direct supervisor before the scheduled start of your workday, if possible. Your direct supervisor must also be contacted on each additional day of unexpected absence.

To schedule planned PTO, you need to request advance approval from your supervisor. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

PTO is paid at your base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

PTO will be used to supplement any payments that you are eligible to receive from state disability insurance, or workers' compensation. The combination of any such disability payments and PTO cannot exceed your normal weekly earnings.

### **PTO Payout**

The Executive Officer may, in his or her sole discretion, authorize a cash payout of up to 60 hours of PTO annually to an employee who meets the following criteria: (a) the employee used an equal or greater amount of hours in the preceding 12 months; and (b) the employee will maintain a minimum PTO balance of 120 hours after the payout. Such requests will be granted at the sole discretion of the Executive Officer in the interest of work program effectiveness and subject to VCEA's fiscal capability.

### **PTO Caps**

Employee can accumulate PTO up to a balance of twice the annual PTO for which they are entitled. Once that limit is reached, employee will no longer accrue PTO until time is taken, and the employee's accrual falls below the cap.

Upon termination of employment, you will be paid for unused PTO that has been earned through your last day of work.

### **Sick Leave**

Employees will earn sick leave in accordance with this policy.

Sick leave is a form of insurance that is accumulated in order to provide a cushion for incapacitation due to illness. It is to be used only for the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, in-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status).

On the employee's hire date, all employees will receive 24 hours of paid sick leave. Regular, full-time employees accrue 3.34 hours (10 days annually) of PTO per pay period (24 pay periods per year) and these employees can use their PTO for paid sick leave. Regular, full-time employees can accumulate PTO up to a balance of 160 (20 days). Employees who are not eligible for the PTO policy as outlined above will be credited with 24 hours of paid sick leave at the commencement of each employment year up to 40 hours. Employees will also accrue 1 hour of paid sick leave per every 30 hours worked until the employee has accrued the equivalent of 5 days or 40 hours of paid sick leave, whichever is greater. Any unused sick leave is not paid out on separation of employment.

Employees may begin using sick leave upon their 90th day of employment.

When wishing to use sick leave, you should personally call your supervisor prior to the start of your shift on the day you are scheduled to work. Sick leave is not to be taken in less than two (2) hour increments and does not accrue when you are out on sick leave.

A paid absence is not counted as a basis for computing overtime.

If you are receiving State Disability Insurance (SDI) or Workers' Compensation payments, then you can integrate sick pay (meaning that you can supplement your wage replacement benefits with a portion of your sick leave to equal your full wage). Under no circumstances can you receive more than your customary wage.

Sick leave is not granted for the purpose of accompanying or taking pets to procure medical attention.

Unused sick leave has no cash value and will not be paid at termination.

### **Holidays**

We observe the following paid holidays for full-time employees:

- New Year's Day
- Martin Luther King Jr.'s Birthday
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Day
- Floating Holiday (2)

Eligibility for holiday pay begins upon date of hire. You must also be regularly scheduled to work on the day on which the holiday is observed, and must work your regularly scheduled working days immediately preceding and immediately following the holiday, unless an absence on either day is approved in advance by your supervisor.

When a holiday falls on a Saturday or Sunday, it is usually observed on the preceding Friday or the following Monday. Holiday observance will be announced in advance.

If you are on a paid absence due to PTO when a holiday occurs, you will receive holiday pay. Non-exempt employees who work on holidays, due to customer job requirements, will receive regular earned wages. Part-time employees and interns are not eligible for holiday pay.

### **Insurance Benefits**

**Medical, Dental and Vision Insurance:** We provide access to medical, dental & vision insurance plans for eligible employees and their dependents. You may be required to provide adequate proof of the dependent relationship in order to add the dependents to VCEA's insurance policies. Typically, proof of the relationship may be established through a copy of a birth certificate, adoption documents, marriage license, or certificate of registered domestic partnership. We cannot guarantee your domestic partner relationship will be kept confidential.

Full-time employees and part-time employees who are regularly scheduled to work a minimum of 30 hours per week are eligible for VCEA's medical, dental, and vision insurance coverage. Each employee becomes eligible on the first of the month after the employee has started employment with VCEA. VCEA will contribute up to \$2,133 per month per employee towards VCEA's medical, dental and vision insurance for a full-time employee and dependents coverage. VCEA will contribute a prorated amount for part-time employees based on the average hours worked (for example, if the part-time employee is regularly scheduled to work 30 hours per week, VCEA's contribution toward the cost of VCEA's medical, dental and vision insurance coverage for the part time employee and his/her eligible dependents would be prorated to 75% of the full-time equivalent, i.e., \$1,599.75). The employee is responsible for any premiums due for VCEA coverage(s) that are in excess of the VCEA contribution amount. Deductions from the employee's paycheck will be made to cover this cost. Information describing medical, dental and vision insurance benefits will be given to you when you become eligible to participate in the program. Eligible employees who elect not to receive medical insurance coverage from VCEA must provide proof of adequate medical coverage from an alternate source within 30 days of becoming eligible through VCEA for the benefit. Such election will be effective as of the employee's eligibility date and will remain in effect until the start of the next open enrollment period. Employees who have declined VCEA medical insurance coverage and want to continue to decline coverage must provide proof of adequate medical coverage once per year, no later than 30 days prior to VCEA's open enrollment period. Full time employees who decline to accept VCEA medical, dental, and vision insurance benefits shall receive a payment of \$550 per month in lieu of coverage; part -time employees who are eligible for VCEA medical, dental and vision insurance and decline to accept VCEA medical, dental, and vision insurance shall receive a prorated payout based on the employee's regularly scheduled hours (i.e., an employee who is regularly scheduled to work 30 hours per week will receive 75% of the full-time equivalent, or \$415.5.)

During any leave of absence such as personal leave, Workers' Compensation leave or other disability leave, VCEA-provided health benefits will continue through the end of the month during which leave commenced. At that point, the employee will be provided with the option to continue coverage at the employee's own expense pursuant to Cal-COBRA. For the duration of any pregnancy disability leave of absence, health and life insurance benefits will be continued for the duration of your approved pregnancy disability leave as required by applicable law.

Please direct any questions you have regarding your medical, dental and/or vision insurance to the Executive Officer.

**Retirement Plan:** We provide a 401(A) and 457B defined contribution retirement plans for eligible employees in order to assist in planning for your retirement. Eligible employees may enroll following 6 months of employment. Retirement plan participants can participate in loan programs permitted under the plan guidelines. For more information regarding eligibility, contributions, benefits and tax status, contact the Executive Officer. All eligible participants will receive a summary plan description.

**Disability Insurance:** VCEA furnishes private long-term disability policies. For more information, contact the Executive Officer.

**Life and Accidental Death and Dismemberment Insurance:** If you are a regular full-time employee of VCEA, you will be provided our group life insurance coverage paid for by the organization. This insurance is payable in the event of your death, in accordance with the policy, while you are insured. You may change your beneficiary whenever you wish by submitting the appropriate documents to the Human Resources Consultant. Refer to the literature provided by our insurance agency for details on your life insurance coverage.

**Paid Family Leave (PFL) Insurance:** All employees who take time off to care for a seriously ill family member (child, parent, grandparent, grandchildren, in-laws, spouse or registered domestic partner) or bond with a new child may be eligible to receive replacement wages for up to six weeks during any 12-month period, under California's Paid Family Leave program. This program is funded with employee contributions through the State Disability Insurance (SDI) Program. Such contributions are deducted from each employee's paycheck. Even though employees may be eligible to receive Paid Family Leave insurance benefits, a leave of absence must still be requested and approved as defined in our leave policies. Please understand that this leave does not mandate any guarantee that your job will be available when you are ready to return.

**State Disability Insurance:** If you are unable to work due to a non-work related medical condition or injury you may be entitled to State Disability Insurance (SDI). SDI benefits are paid by the state and are financed from mandatory payroll tax deductions from all employees' wages. Questions regarding SDI benefits should be directed to the Executive Officer or the state's Employment Development Department.

**Unemployment Compensation:** We contribute each year to the California Unemployment Insurance Fund on behalf of our employees.

**Social Security:** Social Security is an important part of every employee's retirement benefit. We pay a matching contribution to each employee's Social Security taxes.

**Workers' Compensation:** VCEA purchases a workers' compensation insurance policy to protect you while you are employed by us. The policy covers you in case of occupational injury or illness. It is your responsibility to notify a member of management immediately if injured. Please refer to the Workers' Compensation policy for additional information.

We provide workers' compensation insurance for our employees as required by state law. The insurance provides important protection for employees who suffer a work-related injury. We encourage you to report all workplace injuries immediately and to take advantage of the benefits provided by our workers' compensation insurance if you are injured on the job.

Workers' compensation insurance provides important protection for employees who suffer an injury at work. Unfortunately, we understand that some employees are encouraged to file fraudulent workers' compensation claims. For your own protection, you should know that the California Insurance Frauds Protection Act provides that it is unlawful for any person to:

*"Make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining . . . compensation . . . and shall be punished by*

*imprisonment in county jail for one year, or in the state prison for two, three or five years, or by a fine not exceeding Fifty Thousand Dollars (\$50,000.00) . . . or by both imprisonment and fine."*

Our policy is to investigate all questionable workers' compensation claims. If they appear to be fraudulent, they are referred to the Bureau of Fraudulent Claims and the District Attorney's office.

**Section 125 (Cafeteria Plan):** Through the flexible spending account or the health savings account, you may designate an annual dollar amount of your before-tax income to pay for certain eligible expenses. Particular care should be taken to assure that the funds required in the flexible spending account are not over estimated as unused funds cannot be returned to the participant at the end of the plan year. Please refer to the booklets for information about the program. If you need additional information or change forms, please speak with the Executive Officer.

### **Domestic Partners**

VCEA believes that basic medical/dental/vision coverage should be available to employees and their dependents. To recognize non-traditional family arrangements and to demonstrate our commitment to our community of employees and their families, VCEA has instituted a Domestic Partners Policy. This policy gives you the opportunity to cover a long-term, significant same sex partner under our benefits plans, as well as opposite sex partners for employees over 62 years of age. VCEA wishes to make it clear that it cannot guarantee confidentiality of the relationship once a domestic partner is covered under our policy. See the Executive Officer for more information.

### **Cal-COBRA**

The California Continuation Benefits Replacement Act (Cal-COBRA) gives qualified employees and their dependents the opportunity to continue health insurance coverage under VCEA's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Under Cal-COBRA, you or the beneficiary pays the full cost of coverage at VCEA's group rates. In addition, you or the beneficiary may be required to pay an administration fee. Our plan administrator will provide you with a written notice describing rights granted under Cal-COBRA when you become eligible for coverage under our plan. The notice contains important information about your rights and obligations.

### **Recreational Activities and Programs**

VCEA or its insurer will not be liable for payment of workers' compensation benefits for any injury that arises out of your voluntary participation in any off-duty recreational, social, or athletic activity that is not part of your work-related duties.

### **Leaves of Absence**

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with VCEA. It is the policy of VCEA to allow its eligible employees to apply for and be considered for certain specific leaves of absence.



All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable. When you become aware of your need for leave, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow VCEA's customary notice and procedural requirements for requesting leave. Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment. While on a leave of absence you may not obtain other employment or apply for unemployment insurance. If either of these instances occurs, you may be viewed as having voluntarily resigned from VCEA.

You will not accrue PTO while you are on an unpaid leave of absence. There are several types of leaves for which you may be eligible.

### **Medical Leaves of Absence**

A medical leave of absence may be granted for non-work related temporary medical disabilities (other than pregnancy, childbirth and related medical conditions) until the end of the month in which the leave began with a doctor's written certificate of disability (unless leave of a longer duration is required by law). Requests for leave should be made in writing as far in advance as possible, but, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow VCEA's customary notice and procedural requirements for requesting leave. If you are granted a medical leave, you are required to use any accrued sick pay. You also may use any PTO previously accrued.

A medical leave begins on the first day your doctor certifies that you are unable to work and ends when your doctor certifies that you are able to return to work. Your supervisor will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. Upon your return, you must present a doctor's certificate showing fitness to return to work. If you need a medical-related leave longer than VCEA can, consistent with business necessity and reasonable accommodation, approve, you will be advised.

For the duration of any leave of absence, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. For the duration of a pregnancy disability leave, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

If you wish to continue these benefits you may do so by electing to continue the benefit through the CAL-COBRA provisions, and by paying the applicable premiums.

You will not accrue PTO while you are on an unpaid medical leave of absence.

If returning from a non-work related medical leave, you will be offered the same position held at the time of leaving, if available. However, we cannot guarantee that your job or a similar job will be available upon your return. If VCEA is unable to provide a job for you at the end of your leave, we will end your employment, but you will be eligible to apply for any opening that may arise for which you are qualified.

### **Bereavement Leave**

VCEA provides regular full-time and regular part-time employees up to three (3) days' paid bereavement leave in the event of a death in your immediate family. For purposes of this policy, "immediate family" includes your spouse, parent, child, sibling; your spouse's parent, child, or sibling; your long- time companion or domestic partner; and your grandparents or grandchildren. If you need to take time off due to the death of an immediate family member you should contact your supervisor. Your supervisor may approve additional unpaid time off.

### **Bone Marrow and Organ Donation Leave**

Employees who are donating an organ to another person may take a leave of absence not exceeding 30 business days (and which may be taken in one or more periods) in any one-year. Employees who are donating their bone marrow to another person may take a leave of absence not exceeding 5 business days (and which may be taken in one or more periods) in any one year.

Requests for leave should be made in writing as far in advance as possible. You must provide a written medical certification from your health care provider to VCEA that shows that you are a bone marrow or organ donor and that there is a medical necessity for the donation.

Bone Marrow and Organ Donation leave is a paid leave; however, you are required to use up to 5 days of accrued but unused sick or PTO leave for bone marrow donation, and up to 2 weeks of accrued but unused sick or PTO leave for organ donation.

For the duration of a Bone Marrow or Organ Donation leave of absence, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

When you are ready to return to work after a Bone Marrow or Organ Donation leave, you must provide certification from your medical care provider that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. Except as otherwise allowed by law, you are entitled, upon return from leave, to be reinstated in the position you held before the Bone Marrow or Organ Donation leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.

### **Civil Air Patrol Leave**

Employees who volunteer for the California Wing of the Civil Air Patrol are allowed up to ten days of unpaid leave each year. This leave covers employees who are needed to respond to an emergency operational mission

who have been employed by VCEA for at least 90 days immediately preceding the requested leave. VCEA reserves the right to verify the need for the leave with the Air Patrol.

### **Domestic Violence and Sexual Assault Victim Leave**

VCEA takes threats and actions of domestic abuse and sexual assault against our employees very seriously, and wants employees to feel free to obtain services to keep themselves and their dependents safe.

If at any time you need to be absent from work because you have been a victim of domestic violence or sexual assault, and you need to take time off to ensure your safety, seek medical treatment, or receive counseling as a result of domestic violence or sexual assault, please let your supervisor or the Executive Officer know immediately. Your privacy will be protected to the greatest extent possible. You may use accrued PTO or sick leave in lieu of unpaid time off for these purposes.

### **Jury Duty or Witness Leave**

You may want to fulfill your civic responsibilities by serving on a jury or as a witness as required by law. You may request unpaid leave for the length of absence, unless the leave of absence is taken as PTO. We will comply with federal and state requirements on pay for exempt employees. You may be requested to provide written verification from the court clerk of having served.

You must show the jury duty or witness summons to your supervisor as soon as possible so that arrangements can be made to cover your absence. Of course, you are expected to report for work whenever the court schedule permits. If you are called for jury duty during a particularly busy time, we may ask you to request the court to postpone the mandatory jury duty to a more convenient time for us. You retain all fees paid for appearing, plus transportation reimbursements received, if any.

### **Military Leave**

If you wish to serve in the military and take military leave you should contact the Executive Officer for information about your rights before and after such leave. You are entitled to reinstatement upon completion of military service provided you return or apply for reinstatement within the time allowed by law.

### **Pregnancy Disability Leave**

#### **Eligibility and Terms of Leave**

Female employees are entitled to an unpaid Pregnancy Disability Leave (PDL) during the time they are disabled due to pregnancy, childbirth, or related medical conditions. This leave will be for the period of disability, up to four months or 17 1/3 workweeks. You are “disabled by pregnancy” if you are unable because of pregnancy to work at all, are unable to perform the essential functions of your job, or to perform these functions without undue risk to successful completion of your pregnancy, or to other persons.

Leave may be taken intermittently or on a reduced work schedule when medically advisable, as determined by your medical care provider. Medical certification is required, and the length of Pregnancy Disability Leave will depend on the medical necessity for the leave. If you need intermittent leave or leave on a reduced schedule, VCEA may require you to transfer, during the period of the intermittent or reduced schedule leave, to an

available alternative position for which you are qualified and which better accommodates your recurring periods of leave. Transfer to an alternative position may include altering an existing job to better accommodate your need for intermittent leave or a reduced work schedule.

### **Applying For Leave**

If possible, you should give at least 30 days' notice requesting a pregnancy-related leave. This notice must provide and include the expected date on which the leave will begin, written certification from your medical care provider stating the anticipated delivery date and the duration of the leave.

### **Return to Work**

Before returning to work, you must provide a release from your medical care provider certifying that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. VCEA will reinstate you to your position unless:

1. Your job has ceased to exist for legitimate business reasons;
2. Your job could not be kept open or filled by a temporary employee without substantially undermining VCEA's ability to operate safely and efficiently;
3. You have directly or indirectly indicated your intention not to return;
4. You are no longer able to perform the essential functions of the job with or without reasonable accommodation;
5. You have exceeded the length of the approved leave; or
6. You are no longer qualified for the job.

If VCEA cannot reinstate you to the position you held before the pregnancy disability leave began, VCEA will offer you a comparable position, provided that a comparable position exists and is available, and provided that filling the available position would not substantially undermine VCEA's ability to operate safely and efficiently.

### **Integration With Other Benefits**

A pregnancy disability leave is unpaid, but you are required to use your accrued sick leave during the leave. In addition, you may elect to use accrued PTO during the leave. Sick leave and PTO will supplement any State Disability Insurance benefits. VCEA will maintain group medical benefits during a pregnancy disability leave as required by law. No additional PTO, sick leave or holiday pay will accrue during the leave (except during the time period you are using sick leave or PTO). You may also, however, be eligible for short term disability benefits.

### **Continuation of Medical Benefits**

For the duration of your PDL leave of absence, health and life insurance benefits ordinarily provided by VCEA, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected. If you fail to return to work at the conclusion of PDL leave and wish to continue these benefits, you may do so by electing to continue the benefit through the Cal-COBRA provisions, and by paying the applicable premiums.

### **School Appearance Leave**

If you are the parent or guardian of a child who has been suspended from school and you receive a notice from your child's school requesting that you attend a portion of a school day in the child's classroom, you may take unpaid time to appear at the school, unless you use accrued PTO. Before your planned absence, you must give reasonable notice to your supervisor that you have been requested to appear by your child's school.

### **Time Off for Victims of a Violent or Serious Crime**

Under certain circumstances, employees who are victims of serious crimes may take time off work to participate in judicial proceedings. Qualified family members of such crime victims may also be eligible to take time off from work to participate in judicial proceedings. The law defines a serious crime to include violent or serious felonies, such as felonies involving theft or embezzlement, crimes involving vehicular manslaughter while intoxicated, child abuse, physical abuse of an elder or dependent adult, stalking, solicitation for murder, hit-and-run causing death or injury, driving under the influence causing injury, and sexual assault. When possible, you must provide us with advance notice of the need for the time off. Your privacy will be protected to the greatest extent possible. Time away from work for non-exempt employees will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

### **Time Off To Vote**

If you do not have sufficient time outside of working hours to vote in a statewide election, you may, without loss of pay, take off up to two hours of working time to vote. Such time must be at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from working, unless otherwise mutually agreed. You must notify us at least two working days in advance to arrange a voting time.

### **Volunteer Emergency Duty Leave**

VCEA will allow unpaid time off to employees who perform emergency duty as a volunteer firefighter, reserve peace officer, emergency rescue personnel, an officer, employee, or member of a disaster medical response entity sponsored or requested by the state. If you are a volunteer firefighter, or perform other emergency personnel duties, please alert your supervisor so that he or she may be aware of the fact that you may have to take time off for emergency duty. When possible, you must provide us with advance notice of the need for the time off. Time away from work will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

### **Workers' Compensation**

We, in accordance with state law, provide insurance coverage for employees in case of a work related injury. To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to:

1. Immediately report any work-related injury to your supervisor.
2. Seek medical treatment and follow-up care if required.
3. Complete a written Employee's Claim Form (DWC Form 1) and return it to your supervisor.

Provide us with certification from your health care provider regarding the need for workers' compensation disability leave and your ability to return to work from the leave.

### **Return to Work Policy**

VCEA is committed to returning injured employees to modified or alternative work as soon after a work related injury as possible. Temporarily modifying your job or providing you with an alternative position will do this. Your medical condition along with any limitations or restrictions given by the attending physician will be considered as a priority when identifying the modified/alternative position.

The program is intended to provide our employees with an opportunity to continue as valuable members of our team while recovering from a work related injury. We want to minimize any adverse effects of an ongoing disability on our employees. This program is intended to promote speedy recovery, while keeping the employees' work patterns and income consistent. At the same time, we benefit from having our employees providing a service and contributing to the overall productivity of our business. VCEA retains discretion to decide whether to provide modified duty.

### **Receipt and Acknowledgment of VCEA Employee Handbook**

I have received my copy of VCEA's employee handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

### **At-Will Employment**

I further understand that my employment is at-will, and neither VCEA nor I have entered into a contract regarding the duration of my employment. I am free to terminate my employment with VCEA at any time, with or without cause. Likewise, VCEA has the right to terminate my employment with or without cause, at the discretion of VCEA. No employee of VCEA can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the Executive Officer.

### **Future Revisions**

We reserve the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this employee handbook or in any other document, except for the policy of at-will employment. Any written changes to this employee handbook will be distributed to all employees so that you will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

### **Receipt and Acknowledgement of VCEA Handouts**

### **Illness and Injury Prevention Plan**

I acknowledge that I have read and understand the VCEA's Illness & Injury Prevention Plan and that I agree to abide by these policies.

### **Drug and Alcohol Abuse Policy**

I certify that I have read VCEA's Drug and Alcohol Abuse Policy and agree to abide fully by its terms. I understand that as a condition of my employment, I may be subjected to drug testing and that my privacy rights are thereby limited. I also understand that I must notify VCEA of any conviction for a drug violation that occurs within five

days after such a conviction. I understand that any violation of the policy may result in serious disciplinary action, including immediate termination.

Employee's Printed Name \_\_\_\_\_ Position \_\_\_\_\_

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

Receipt and Acknowledgement of VCEA Handouts

***Sexual Harassment Prevention Handout***

I acknowledge that I have read and understand the enclosed pamphlet on sexual harassment prevention in the workplace and reporting procedures in the event that harassment occurs.

***State Disability Insurance, Paid Family Leave and Unemployment Handouts***

I acknowledge that I have received the enclosed pamphlets on state disability insurance, paid family leave and unemployment insurance as provided by the Employment Development Department.

***Workers' Compensation Handout***

I acknowledge that I have received the enclosed pamphlet on workers' compensation benefits as provided by the California Chamber of Commerce.

Employee's Printed Name \_\_\_\_\_

Position \_\_\_\_\_

Employee's Signature \_\_\_\_\_

Date \_\_\_\_\_



**VALLEY CLEAN ENERGY ALLIANCE**

**RESOLUTION NO. 2024-\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF VALLEY CLEAN ENERGY ALLIANCE APPROVING UPDATES TO THE EMPLOYEE HANDBOOK**

**WHEREAS**, the Valley Clean Energy Alliance (“VCE”) was formed as a community choice aggregation agency (“CCA”) on November 16, 2016, under the Joint Exercise of Power Act, California Government Code sections 6500 et seq., among the County of Yolo, and the Cities of Davis and Woodland, to reduce greenhouse gas emissions, provide electricity, carry out programs to reduce energy consumption, develop local jobs in renewable energy, and promote energy security and rate stability in all of the member jurisdictions. The City of Winters, located in Yolo County, was added as a member of VCE and a party to the JPA in December of 2019;

**WHEREAS**, on January 18, 2018, the Valley Clean Energy Employee Handbook was adopted;

**WHEREAS**, on January 23, 2019, the Board approved updates to the employment regulations and edits to payroll operational procedures to the Employee Handbook;

**WHEREAS**, on July 11, 2019, the Board approved updates to the Employee Handbook incorporating new laws and personnel requirements;

**WHEREAS**, on February 13, 2020 the Board approved updates to the Employee Handbook to reflect benefits eligibility date; and,

**WHEREAS**, on February 11, 2021, the Board approved updates to the Employee Handbook to adjust medical contributions amounts.

**WHEREAS**, on April 14, 2022, the Board approved updates to the Employee Handbook to update the General Manager to Executive Officer, working schedules, discretionary pay for performance, compensation equity adjustments, paid time off payout, retirement loan programs, and annual adjustment to medical contributions to maintain parity to costs.

**WHEREAS**, on February 9, 2023, the Board approved updates to the Employee Handbook to adjust medical contributions amounts.

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**NOW, THEREFORE,** the Board of Directors of the Valley Clean Energy Alliance resolves as follows:

1. Adopt changes to the Employee Handbook to update the Sick Leave section to grant regular employees the ability to accrue 10 days annually and part-time employees 3 days annually, holidays to grant (2) floating annual holidays for a total of 12 holidays days annually, and the annual adjustment to medical contributions to maintain parity to costs as detailed in the attached January 2024 redline employee handbook.

**PASSED, APPROVED, AND ADOPTED,** at a regular meeting of the Valley Clean Energy Alliance, held on the \_\_\_\_ day of \_\_\_\_\_ 2024, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Lucas Frerichs, VCE Chair

\_\_\_\_\_  
Alisa M. Lembke, VCE Board Secretary

## VALLEY CLEAN ENERGY ALLIANCE

### Staff Report – Item 12

**TO:** Board of Directors

**FROM:** Edward Burnham, Director of Finance & Internal Operations  
Mitch Sears, Executive Officer

**SUBJECT:** 2024 Customer Rate Credit

**DATE:** January 11, 2024

#### RECOMMENDATIONS

1. Approve a 1% average generation rate credit effective February 1, 2024, for VCE customer Standard Green customers.
2. Approve a 2024 Budget reduction in customer revenues by \$1,000,000 (~5 operating days cash).

#### OVERVIEW

The purpose of this staff report is to consider 2024 customer rate credits for standard green customers based on updated financial information and additional scheduled PG&E rate increases on Transmission/Distribution scheduled for March.

#### BACKGROUND & ANALYSIS

As discussed during the 2024 Budget and Customer Rates adoption at the December Board meeting ([Item 17](#)), the adopted 2024 Budget forecasts a positive net income of \$24.5M. The 2024 Budget allows VCE to reach its primary financial objectives of building reserves while maintaining competitive rates and executing additional local programs. VCE's longer-term outlook (2025+) indicates increased stability and cost certainty with VCE's long-term PPA's online combined with continued growth in cash reserves which would place VCE in a position to receive an initial investment grade credit rating within the next several years. Additional 2024 Budget information is provided in Attachment 1.

During the 2024 Budget and Customer Rates adoption, the Board discussed the ability to lower rates compared with PG&E and continue to meet key objectives. Staff is returning to the Board to recommend providing a 1% generation credit starting in 2024 for Standard Green customers. This is based in part on late 2023 monthly financial actuals continuing to track with forecasts (e.g. November 2023), providing greater confidence that VCE will maintain a solid financial position in 2024. This updated information, in combination with PG&E's additional Transmission/Distribution rate increase scheduled in March (projected +13%), prompted staff to continue to analyze VCE rates for 2024. If approved, this 1% rate credit would reduce projected revenue for 2024 by approximately \$1M. Note: CARE and FERA customers would continue to receive their current 2.5% VCE credit on generation for 2024.

### **2024 Customer Rate Credits**

As discussed during the 2024 Budget and Customer Rates adoption at the December Board meeting, the CPUC adopted the 2024 PG&E bundled rates at their December 2023 meeting. The updated analysis shown below is based on the best available information as of the writing of this report, with an effective rate change date of January 1, 2024, and following VCE's current rate policy and financial objectives.

#### VCE Rate Policy (Updated November 10, 2021)

Cost-Based Rate Policy: VCE will set customer rates to collect sufficient revenue from participating customers to fully fund VCE's Budget and establish sufficient operating reserve funds. VCE's 2023 Target was set to fully fund 180 days of operating cash reserves and incorporated into the 2024 rate setting.

#### 2024 Customer Rates Drivers

Based on information from VCE and CalCCA's analysts on the proposed PG&E rates decision outlined above, VCE has incorporated the following assumptions in its updated financial forecasts for 2024:

- PCIA: 100% increase over 2023 PCIA (net zero charge)- Results in approximately (\$2M) revenue for 2024
- PG&E Bundled rates (PCIA & Generation): 7% average increase – Results in approximately \$6M revenue for 2024

NOTE: The proposed decision by the CPUC includes a 6-month amortization of 2023 under collection of revenues recovered in 2024. PG&E Rates will return to 2023 rates on July 1<sup>st</sup> as we enter the majority of peak season. This could be extended into peak season should PG&E have an outstanding under collection balance from 2023.

Staff recommends the expansion of rate credits by 1% generation credit for approximately \$1,000,0000 starting in 2024 for Standard Green customers. Staff will return with additional analysis as part of the annual Customer Program and Dividend allocation scheduled for consideration by the Board in Q2 of 2024. As part of this process, Staff will evaluate possible power purchase agreement prepayment discounts and impacts on VCE's initial investment grade credit rating.

#### VCE Rates Recommendation

1. Standard Green Rates credits of 1% to PG&E 2024 generation rates.
2. Base Green Rate credits of 2.5% to PG&E 2024 generation rates
  - a. Automatically provide CARE and FERA customers Base Green Rate (least cost option with standard green benefits)

### Fiscal Effects

The rates approach allows VCE to build reserves for VCE's initial investment grade credit rating, fund current and additional VCE programs, and prepare for future PCIA increases and power market volatility to achieve long-term rate stability and competitiveness with PG&E generation rates.

Standard Green Rate credits are estimated at an average of 1%/ \$1.2 per month credit for residential customers on VCE's default Standard Green rate for an annual cumulative savings of approximately \$1M. Staff recommends continuing base green rate credits of 2.5% on generation for low income and vulnerable customers (CARE, FERA, and Medical Baseline) that make up over 25% of VCE's residential customer base providing an additional savings of \$650K. In total, if approved by the Board, VCE will provide approximately \$1.65M in rate relief to VCE customers in 2024.

### **CONCLUSION**

If approved by the Board, this accelerated rate adjustment (decrease) would be further analyzed in April 2024 as part of VCE's existing net margin and customer dividend program. Should significant regulatory or PG&E rate changes outside of VCE's control increase power costs, staff would return to the Board for direction under VCE's rate adjustment policy.

Overall, VCE's 2024 operational and financial objectives remain whole with the proposed revenue reduction associated with the recommended action. Staff believes this to be a disciplined and financially prudent approach to providing some level of rate relief balanced with building reserves. The longer-term outlook (2024+) shows increased stability and cost certainty due to VCE's fixed price long-term renewable power purchase contracts coming fully online combined with a cost-recovery based rate structure. Though buffered by the factors listed above, as discussed with the Board staff will continue to closely monitor financial risk factors outside of VCE's direct control such as changing Resource Adequacy (RA) rules, Power Charge Indifference Adjustment (PCIA), and power markets.

### **ATTACHMENT**

1. VCE 2024 Budget information

## Attachment 1

### VCE 2024 Budget information

#### Background

Since early 2020, VCE has seen high volatility in the energy sector and overall economy. In recent years VCE's fiscal impacts were primarily driven by the uncertainty associated with the COVID-19 pandemic, 2021 Power Charge Indifference Adjustment (PCIA) increases, resource adequacy, and power market cost increases driven in part by the war in Ukraine. These factors required VCE to draw against reserves in the past two years to stabilize customer rates and maintain its rate policy to be competitive with PG&E generation rates. Beginning in 2022, VCE began to replenish its cash reserves and grow its financial strength (as envisioned in the Strategic Plan) for its initial investment grade credit rating.

The adopted 2024 budget and Customer Rates incorporated key financial objectives driven by VCE's Budget Policy, Financial Reserve Policy, Rate Policy, and the 2021-2025 Strategic plan. Key objectives included in developing the 2024 Budget & Customer Rates included:

- Operating Days Cash – Maintain the operating days cash target of +180 days (Increased from 90 days in 2023) as recommended by financial advisors for the credit rating.
- Debt Repayments – Early repayment of term loan with River City Bank in 2023. VCE's remaining use of RCB line of credit used for credit requirements pending VCE's initial investment grade credit rating.
- Power Cost Contingencies – Due to the inherent volatility in power costs, Staff continues to include 5%/\$3.6M contingencies in 2024. Staff also incorporated a onetime additional \$1.5M for 2024 Resource Adequacy and Renewable Energy Certificates compliance requirements.
- Power Purchase Agreement (PPA) Covenants – VCE will maintain the required PPA covenants without relying on letters of credit for operational PPAs.
- Investment Grade Credit Rating – VCE and the Financial Advisor, PFM, will re-evaluate the timeline to establish VCE's initial investment grade credit rating. An investment grade credit rating will reduce risks for banking institution lines of credit, CPUC provider of last resort financial requirements (POLR), and overall capital costs for VCE.
- Customer Programs and Dividends – \$2M in programs budgeted for 2024 including to continue to grow its customer programs in 2024. VCE will evaluate 2023 audited financial results for possible customer dividends in Q2 of 2024.

#### Long-term Fixed Price Power Purchase Agreements

VCE's long-term fixed PPAs are anticipated to bring long-term financial stability for VCE in the 2025-2027 long-term outlook. As discussed at prior Board meetings, all electric utilities develop forecasts of cost and revenue requirements based upon informed technical estimates. These forecasts incorporate factors such as future weather, load, market power prices, and other business conditions. Actual outcomes inevitably vary and in extreme instances, outcomes may vary significantly. VCE's transition to longer-term renewable fixed-price power contracts over the past two years has significantly reduced the exposure to rising market prices and volatility as shown in Figures 1 & 2 below.

**Figure 1 – VCE Power Purchase Agreement Contributions**

Description	2023	2024
Power Costs	Began 2023 with PPAs for ~150+ GWh (approx. 13% of VCE annual Load)	*Begin 2024 with PPAs for ~400+ GWh (approx. 50% of VCE annual Load)
Power Cost Contingencies	PPAs provide 75 MW RA (approx. 36% of VCE annual req.)	*PPAs provide 143 MW RA (approx. 70% of VCE annual req.)

\*Willy 9 Chap 2 (formerly Willow Springs Solar 3) Solar PV + Storage Project (72 MW PV /36 BESS / approx. 215,000+ MWhs) expected to come online in January of 2024

**Figure 2 - VCE Current Renewable Portfolio Trajectory**

