



<b>EMPLOYEE MANUAL</b>	
Policy Title: <b>OVERTIME POLICY</b>	
Policy No.: 10.0	Section Nos.: 10.0 – 10.4
Approval Date: December 2023	Effective Date: January 2024
Approved By: Board of Directors	

## **10.0 OVERTIME POLICY**

The overtime policy shall be in compliance with the requirements of the Fair Labor Standards Act (FLSA) as those may be revised from time-to-time and with Board adopted policy and shall be applied to all employees. Because the Agency is a public entity, it is not subject to the California state overtime rules and laws.

Any employee may be requested to work in excess of the regular workday by its supervisor or the General Manager. The Agency will pay all non-exempt employees at the rate of one-and-a-half times the regular rate of pay for all hours in excess of 40 in a workweek, except as otherwise provided by FLSA. Paid leave hours (vacation, holiday, sick leave, bereavement leave, jury duty, military leave, etc.) will be included in the calculation for determination of a 40-hour workweek.

In addition, the Agency pays time-and-a-half overtime for the first 4 hours of daily overtime and 2.0 times the base hourly salary for all consecutive overtime hours worked in excess of 4 hours, even when spanning more than one workday. Daily overtime is hours worked in excess of the normal workday (generally an 8-hour shift).

It will be the employee’s immediate supervisor’s responsibility to determine if an employee should work his or her regularly scheduled work shift after working overtime. Employees are not permitted to work overtime without the express prior approval of their supervisor. Employees in violation of this policy will be subject to discipline, up to and including termination. Nonetheless, the Agency will pay employees for all hours actually worked in a given workweek in accordance with applicable federal law. Paid holidays, as an example, do not count as “hours worked” for purposes of overtime calculations unless an employee actually worked on the holiday.

### **10.1 Scheduled Overtime**

Scheduled overtime work is announced in advance and generally will involve an entire department or operation. This type of overtime becomes part of the required workweek of the people who are members of the department or operation. Employees that need to be excused from performing scheduled overtime should speak with their supervisor, who will consider each situation and the requirements of the department or operation in deciding whether an employee may be excused from performing the scheduled overtime.

### **10.2 Incidental Overtime**

Incidental overtime is not scheduled; it becomes necessary in response to extenuating circumstances, such as responding to service calls or other problems that may arise in the evenings or on holidays or weekends. Extra time may be needed to complete work normally completed during regular hours. Incidental overtime may also become necessary when an illness or emergency keeps co-workers from being at work as anticipated. It may require that an employee return to the workplace for emergency work. The opportunity to work incidental overtime will be given first to the employee who normally performs the task. If that employee cannot work the overtime, the supervisor will offer the overtime to a suitably qualified person who is available to perform the overtime work. In the event that no employee voluntarily agrees



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to work the necessary incidental overtime, the Agency may require an employee to work incidental overtime regardless of whether the employee volunteered. An employee's refusal to work mandatory overtime will subject an employee to discipline, up to and including termination.

### **10.3 Compensatory Time Off**

Compensatory time off, also referred to as comp time or CTO, is paid time off given to an employee in lieu of overtime/double-time pay. Accumulated CTO has a rotating cap of 40 hours. When an employee utilizes their CTO hours and reduces their bank balance below 40, the employee may once again earn CTO hours until it reaches the 40-hour cap. CTO may be used with pre-approval of the employee's supervisor. CTO may not be carried over to the next calendar year. Employees should make a good faith effort to use CTO hours prior to the end of the calendar year.

#### **10.3.1 CTO for Non-Exempt Employees**

- If an employee is authorized to work overtime/double-time, the employee may choose to be compensated by pay or compensatory time off (CTO). If an employee chooses CTO, it shall be for the amount of time equivalent to the extra hours worked in excess of their regular schedule, i.e., if an employee works one hour of OT, the employee will receive one and one half hours of CTO.
- Accumulated CTO may not exceed a bank of 40 hours. If an employee reduces the CTO bank below 40 hours, then the employee may opt for CTO for future overtime/double time worked until the employee again reaches the 40-hour cap.
- CTO may be used with pre-approval of the employee's supervisor.
- A maximum of 20 CTO hours may be carried over to the next calendar year. Employees should make a good faith effort to use CTO hours prior to the end of the calendar year. As of December of any year, any hours in excess of 20 remaining CTO hours will be paid out.
- Additions to CTO will not be allowed for hours that are considered "billable" to outside sources, i.e., developer-funded projects.
- Upon termination of employment, employees shall be entitled to cash payment for unused CTO accumulated prior to their separation date.

### **10.4 Holiday Compensation**

Full-time non-exempt employees who work on an Agency holiday will be paid for the holiday at two times their normal hourly rate for each hour actually worked on the holiday, in accordance with Policy 13.4.