

**MEMORANDUM OF UNDERSTANDING
BETWEEN
OLIVEHURST PUBLIC UTILITY DISTRICT AND
MEMBERS OF THE MANAGEMENT & PROFESSIONAL
EMPLOYEES ASSOCIATION**

PREAMBLE

On the date hereinafter subscribed, authorized representatives of the Olivehurst Public Utility District, hereafter called District, and the members of the Olivehurst Public Utility District Management & Professional Employees Association (MPEA) made and entered into this Memorandum of Understanding, hereinafter referred to as "Agreement." This Agreement is intended to promote harmonious employer/employee relations, and to establish rates of pay, hours of work and other terms and conditions of employment for the Management and Professional employees of OPUD.

This Agreement supersedes and replaces all previous agreements on these points by and between Olivehurst Public Utility District and any of the parties executing this Agreement.

TERM

This Agreement shall have a term of one (1) year commencing on November 24, 2009, and terminating on November 24, 2010. Notwithstanding the foregoing, upon termination of this Agreement the terms and conditions hereof in effect during the last year shall continue in force and effect until replaced by a succeeding agreement.

Article I. WAGES

Section 1.01 For the term of this Agreement, the District shall implement a cost of living increase equal to the Consumer Price Index All Urban Consumers (CPI-U), West B/C. The COLA adjustment shall be based on the 12 months ending May 31, of each year during the term hereof. It is understood that the data from the agreed upon Index may not be available until after the anniversary date, in which case, the effective change in cost of living shall be made effective, retroactively, to July 1 of each year.

Article II. LONGEVITY SALARY PLAN

Section 2.01 The longevity rate per years of service will be as follows:

- (a) 5 years of service = 2% of base salary
- (b) 10 years of service = 4% of base salary
- (c) 15 years of service = 6% of base salary
- (d) 20 years of service = 8% of base salary
- (e) 25 years of service = 10% of base salary

Article III. MEDICAL/DENTAL/OPTICAL INSURANCE BENEFITS

Section 3.01 During the Term hereof, the District shall pay an amount equal to: 100% of the premium cost of insurance for employee only; 100% of the premium cost for employee plus one dependent; and, 40% of the difference between the employee plus 1 dependent and employee plus 2 or more dependents, which payment will be applied to any of the insurance options available to the District included in the table below, but in no event will the District's contribution exceed the premium costs for each of the foregoing categories described in the table below.

Table of Maximum District Contributions	
Maximum premiums payment by District under Article VIII (1)(A):	
Employee Only:	\$718.01
Employee plus one dependent:	\$1197.58
Employee plus 2 or more dependents:	\$1349.32

Section 3.02 An employee may choose, if authorized by the insurance plan, to "opt out" of the medical/dental/optical insurance. If the employee chooses to do so, District shall compensate any employee who opts out of medical coverage \$400 (non-escalating). District shall compensate any employee who opts out of medical, dental and vision coverage \$550 (non-escalating).

Section 3.03 All unit members, including members opting out, will retain the \$132 per month intended for retiree medical that all District employees received, provided its applied to authorized uses. However: any unit member that chooses a medical, dental and optical premium greater than \$1151 must use the \$132 to pay down the remainder of the premium whatever that amount shall be and any remainder of the \$132 after the premium is paid can be applied to other authorized uses; in no case shall the opt-out amount plus the \$132 be more than 90% of the actual premium cost to the employee and shall be limited to that amount.

Article IV. PENSION

Section 4.01 District shall pay into the OE-3 pension fund ten percent of employee's base hourly rate; or,

Section 4.02 District shall pay into an employee 457 deferred compensation fund 10% of the employee's base hourly rate. The investments available under the deferred compensation fund shall be designated by the employees and the District from time to time by majority vote of the employees, reasonably approved by the District. The terms of the Deferred Compensation Plan shall be consistent with the requirements of law.

Section 4.03 The employee shall be allowed to apportion the contributions between the Pension Trust Fund for Operating Engineers (the "OE 3 Plan") or the Deferred Compensation Plan (the "457 Plan").

Section 4.04 Employees understand that the OE 3 Plan in undergoing reassessment and that changes to the OE 3 Plan, ordered by its Trustees, may substantially reduce the benefits of the OE 3 Plan, increase its costs, or both. The District has no control over these changes nor can the District predict what will occur. It's also possible that such changes will restrict or prohibit the District's employees from placing their retirement funds in the 457 Plan directly, or impose substantial penalties on the District because the actions of employees in depositing retirement funds in the 457 Plan constitutes a technical withdrawal from the OE 3 Plan. District does not hereby commit to maintaining the 457 Plan, nor to paying any penalties, surcharges, or increased costs associated with the changes to the OE 3 Plan. Costs of such changes shall not be an obligation of the District but shall necessitate the reopening of this MOU and continued meet and confer regarding the treatment and responsibility for such costs.

Section 4.05 District and Union shall continue to evaluate the feasibility of implementing a PERS retirement program to replace Sections 4.01 and 4.02 above.

Section 4.06

Article V. VACATIONS

Section 5.01 Employees hired prior to August 20, 2009, shall accrue 4.62 hours per pay period or fifteen (15) vacations days per year. For ten (10) or more years of service, employees shall accrue 6.16 hours per pay period or twenty (20) days vacation per year. Employees hired after August 20, 2009, shall accrue 3.08 hours per pay period or ten (10) days vacation per year. For ten (10) or more years of service, employees shall accrue 4.62 hours per pay period or fifteen (15) days vacation per year. The maximum accrual shall be 280 hours, after which accrual shall stop until the employee has used vacation time under the accrual cap.

Section 5.02 In the event of termination of an employment, such employee shall be paid for his/her accrued vacation leave.

Section 5.03 In the event one or more observed holidays fall during an annual vacation leave, the observed holidays shall be observed as such and shall not be charged as vacation leave.

Section 5.04 Vacation shall not accrue during any period of unpaid leave, including leave taken in accordance with the Workers' Compensation Laws. If unpaid leave is supplemented with paid sick leave or vacation leave, than vacation and sick leave accruals shall only apply to the extent that vacation and sick leave is used.

Section 5.05 Use a week/Sell a week. To encourage the use of vacation, the District will allow a vacation leave sell-back policy whereby employees with at least 180 hours of accrued vacation may sell back up to one week (40 hours) of leave provided that the leave tendered for sell back is offered in conjunction with the employee taking a week (40 hours) of leave. No more than one week (40 hours) of vacation can be sold per calendar year.

Section 5.06 It is agreed that accrual of vacation will discontinue at any time an employee achieves 280 hours of accrued vacation.

Article VI. ADMINISTRATIVE LEAVE

Section 6.01 Employees required to attend District meetings shall receive 7 days (56 hours) of Administrative Leave in each calendar year, to be used in the year of accumulation. Administrative Leave shall not accrue to succeeding years.

Article VII. SICK LEAVE

Section 7.01 Employees shall accrue 3.67 hours per pay period or 12 days per year of sick leave with pay.

Section 7.02 Unused sick leave shall be cumulative from year to year.

Section 7.03 An employee absent for 30 days or more on sick leave or other authorized medical leave may be required to file a physical fitness report every 30 days, including a fitness to return to work certificate, issued by the employee's physician, and at the employee's expense. The District may request that such certification(s) be issued by a physician of the District's choice. If a physician is chosen by the District, the District will pay the physician's fees.

Section 7.04 As an additional recognition for employees who spend a working career with the District an employee in good standing, (or in the instance of death, the employee's estate) , upon retirement or death, who is at least 53 years of age and who has at least 15 years of continuous service for the District shall be paid a sum equal to 25% of his/her accrued sick leave. Such payment shall be computed on the basis of the employee's regular salary wage at the time of such retirement or death. Such payment shall not be made for an employee terminated for cause.

Section 7.05 Notwithstanding the foregoing, it is recognized that for those employees who have accrued, as of the date of execution hereof, more than 1,000 hours of sick leave, the District and such employees, without either party conceding or acknowledging the strength or weaknesses of their own or the other party's position, shall enter into good faith negotiations to resolve and reduce said accrued vacation to the maximum allowed hereby. It is also understood that, notwithstanding the termination of the term hereof, vacation accruals allowed hereby will be retained by the employees and may not be reduced or eliminated without the express consent of the employee through further negotiation.

Section 7.06 If an employee is injured on the job, for the day of injury only, time off required for medical attention or recuperation ordered by the employee's physician, shall not be charged to the employee's accrued sick leave.

Section 7.07 Sick leave shall not accrue during any period of unpaid leave, including leave taken pursuant to the Workers' Compensation laws. If unpaid leave is supplemented with paid

sick leave or vacation leave, then accruals of sick leave and vacation shall be reduced to the extent of use of such paid leave.

Article VIII. HOLIDAYS

Section 8.01 The following days are recognized as paid holidays by the District:

- (a) The 1st day of January (New Year's Day)
- (b) The 3rd Monday in January (Martin Luther King Day)
- (c) The 3rd Monday in February (Presidents' Day)
- (d) Closest Friday or Monday to the 31st day in March (Cesar Chavez Day)
- (e) The last Monday in May (Memorial Day)
- (f) The 4th Day of July (Independence Day)
- (g) The 1st Monday in September (Labor Day)
- (h) Closest Friday or Monday to the 11th day of November (Veterans' Day)
- (i) The day in November proclaimed as Thanksgiving Day
- (j) The day after Thanksgiving Day
- (k) Christmas Eve Day
- (l) The 25th day of December (Christmas Day)
- (m) New Year's Eve Day
- (n) Any day designated as a holiday by proclamation of the Governor of the State of California or the President of the United States when affirmatively made a holiday by Resolution of the Board.

Section 8.02 Employees hired prior to August 20, 2009, shall be granted two (2) Floating Holidays in each calendar year, to be used in the year of accumulation. Floating Holidays shall not accrue to succeeding years.

Section 8.03 In any year, in which Christmas Day and New Year's Day are observed on Monday, each employee will be given the choice of being off the preceding Friday or the following Tuesday, provided that the General Manager may designate employees in the MPEA required to work on either day in the event the employees' preferred holiday results in inadequate staffing on either day. The day chosen by the employee shall be considered the observed holiday for that employee, the alternative day shall be considered a regular work day.

Article IX. BEREAVEMENT LEAVE

Section 9.01 Death of Member in Employee's Immediate Family – The immediate family is defined as a person related by blood or marriage who is a husband, wife, son, daughter, sister, brother, mother, father, grandmother, grandfather, grandchild, mother-in-law, father-in-law, sister-in-law, or son-in-law. Each such absence shall be charged to bereavement leave and shall not exceed 3 days, or 5 days for out-of-state death. If such absence requires additional time away from work, the employee has the option to charge additional leave time with pay to his/her sick leave or annual vacation leave, to the extent that such leave time has been accumulated by

the employee.

Article X. OTHER PROVISIONS APPLICABLE TO MANAGEMENT EMPLOYEES

Section 10.01 As Management Employees, the undersigned are responsible for the administration and effective control and direction of the District in accordance with the policies established by the Board of Directors and they carry out their functions with substantial discretion. Therefore, said employees are professional and administrative employees and will not be entitled to overtime compensation but will be expected to perform all services needed whenever needed to ensure that the operations of the District's units under their control and direction are carried out to the best of their ability.

Section 10.02 MPEA Members shall receive at least one annual performance appraisal to be conducted by the General Manager of the District.

AGREED to this 24th day of November , 2009, at Olivehurst, California.

OLIVEHURST PUBLIC UTILITY
DISTRICT

Michael Morris

MEMBERS OF THE MANAGEMENT &
PROFESSIONAL EMPLOYEES ASSOCIATION

Joh C. Tillman
Paul G. ...
Cindy ...
Debra ...
Wade H. ...