

Olivehurst Public Utility District



Agenda Item Staff Report

Meeting Date: November 21, 2019

Item description/summary: MOU Business Unit/Utility Unit Fix

When the Business Unit and the Utility Unit merged their MOU's there was an item accidentally dropped off the Business Unit MOU. This item had previously been approved by the Board when the Business Unit's MOU was originally approved. The item falls under Article VI – Vacations, Section 1, which is the vacation accrual. The item below had been added to the Vacation Accrual Table under the original Business Unit MOU but had been left off the merged MOU.

| | |
|------------------------|----------------|
| <i>25 up to 30 yrs</i> | <i>21-days</i> |
|------------------------|----------------|

Fiscal Analysis:

No fiscal impact, the cost for this item is already within the departmental budget.

Sample Motion/Staff Recommendation:

Consider approving the updated merged Business Unit/Utility Unit MOU to address the addition to the Vacation Accrual Table missed in the original merged MOU – D/A

Prepared by:

Cindy Van Meter/Office Manager-Human Resource Coordinator

MEMORANDUM OF UNDERSTANDING

BETWEEN

**OPERATING ENGINEERS LOCAL UNION NO. 3
PUBLIC EMPLOYEES DIVISION, ON BEHALF OF THE BUSINESS AND UTILITY UNIT**

AND

OLIVEHURST PUBLIC UTILITY DISTRICT

**Modified on December 20, 2018
JULY 1, 2018 THROUGH JUNE 30, 2021**

OLIVEHURST PUBLIC UTILITY DISTRICT

BUSINESS AND UTILITY UNIT

THIS AGREEMENT made and entered into this 30th day of June, 2018, modified on December 20, 2018 and effective as of the initial date of the Term hereof, by and between OLIVEHURST PUBLIC UTILITY DISTRICT, hereinafter referred to as the District, and OPERATING ENGINEERS LOCAL NO. 3 of the International Union of Operating Engineers, AFL-CIO; hereafter referred to as the Union, on behalf of the Business and Utility Unit. The agreement relates and applies **to all** employees within the unit.

ARTICLE I – UNIT OF REPRESENTATION AND RECOGNITION

The Business and Utility Unit is a duly created and recognized Unit of Representation within the employee ranks of the District. Union is a recognized employee representative of employees in the Business and Utility Unit of Representation. Union has been accorded exclusive or majority representation status.

The Business and Utility Unit is comprised of two portions, the Business portion and Utility portion. For purposes of this Agreement, the Utility portion of the Unit refers to the following positions:

- Water Treatment Operator
- Engineering Technician
- Field Service Technician
- Laboratory Analyst
- Laboratory Director
- Wastewater Collection System Operator Apprentice
- Wastewater Collection System Operator I
- Wastewater Collection System Operator II
- Utility Worker
- Utility Operator I
- Utility Operator II
- Utility Operator III
- Wastewater Treatment Facility Operator Grade II

- Park Maintenance Coordinator
- Park Maintenance Worker II

For purposes of this Agreement, the Business portion of the Unit refers to the following positions:

- Account Clerk I
- Account Clerk II
- Administrative Assistant (Public Works)
- Accountant Specialist
- District Clerk / Executive Assistant

For purposes of this Agreement, if no portion of the Unit is indicated (either Business portion or Utility portion), the use of “employee” or “employees” in this Agreement refers to all positions within the Unit, unless otherwise specified.

ARTICLE II – DUES DEDUCTIONS

Section 1. Dues Deductions – During the term of this Agreement, the District shall deduct from the first pay check of each month the monthly Union Dues (But not assessments or fines), provided earnings after legal deductions are sufficient to cover such monthly Union dues (but not assessment or fines), of each employee who has authorized dues deductions as certified by the Union. All amounts deducted by the District shall be remitted by the District to the Financial Secretary, Operating Engineers Local Union No. 3. The District shall also furnish to the Union, with each remittance, a list showing the name and Social Security Number of each employee whose monthly dues are included in the remittance and the amount thereof.

Section 2. Credit Union Deductions – Upon receipt of a written request by the Union on behalf of an employee of the Business and Utility Unit who is a member of Local No. 3, the District shall withhold from said employee’s pay the amount specified by the employee and deposit same with the Credit Union of Operating Engineers Local Union No. 3. All necessary forms shall be provided by the Union. The District shall also furnish to the Union with each remittance, a list showing the name and Social Security Number of each employee whose monthly deductions are included in the remittance and the amount thereof.

Section 3. Union will maintain records of employee authorizations for dues deductions. Union will provide the District with information regarding the amount of dues deductions and the list of the District employees who have authorized dues deductions. The District will rely on the information provided by Union in processing dues deductions for Union members. The District will direct all inquiries about union membership or dues deduction to the Union.

Section 4. The Union agrees to indemnify and hold the District harmless from any liabilities of any nature which may arise as a result of the application of provisions of this Article. The Union hereby indemnifies the District and holds it harmless against any and all suits, claims, demands and liabilities that shall arise out of or by reason of any action taken or not taken by the District for the purpose of complying with any provision of this Article.

ARTICLE III – SHIFTS, HOURS, OVERTIME AND WORKING RULES

Section 1. The District shall assign the daily hours of work of Employees and designate shifts to meet the operational needs of the District. The normal shift may be one of 8 hours per day, 40 hours weekly schedule; 9 hours per day, 80 hour biweekly schedule; or 10 hours per day, 40 hour weekly schedule. In assigning hours worked, and shifts, the District shall reasonably endeavor to accommodate the wishes of the Employees regarding the assignment of hours of work, provided the District determines such accommodation is consistent with the operational and financial needs of the District. The District is not hereby required to allow part-time, permanent part-time, or other forms of accommodation that permits employees to work less than full time.

Section 2. Starting times shall be assigned by the District's General Manager and may be changed following consultation with the Union. All work performed outside the regular working hours shall be paid for as provided in Section 10 of this Article pertaining to Shifts, Hours, Overtime and Working Rules.

Section 3. Hours of employment shall be as established for the shift assigned, except overtime which shall be computed in half hour increments. District and Union agree to work cooperatively to

ensure that the shift of an employee is operationally effective and efficient. The parties agree to meet at least twice each year to assess service levels to the public, and to resolve any operating problems associated with the work schedules. **These meetings shall take place in January and July of each year.**

Section 4. Union acknowledges that the 9/80 work schedule or 10/40 work schedule is authorized and continued at the discretion of District. Any decisions to cancel the 9/80 or 10/40 schedule either in total or as to individual employees shall be discussed with the Union prior to taking final action. In no event shall an individual's schedule be changed on less than 14 days' notice to the employee.

Section 5. There shall be a regularly scheduled meal period during each shift. The meal period shall be one (1) hour, and shall be scheduled by the District so that the beginning or the ending, or some portion of such meal period shall be approximately at the mid-point of the scheduled hours of work for each shift.

Section 6. If the District requires the employee to work through his/her scheduled meal period, the employee shall be paid at the applicable overtime rate of such meal period.

Section 7. No employee shall work more than one (1) shift at straight time in any consecutive 24 hours. No arrangement of shifts shall be permitted that prevents any employee from securing 8 consecutive hours of rest in any consecutive 24 hours.

Section 8. The District shall provide two (2) rest periods of 15 minutes each, one in the first half, and one in the last half of each shift. A 5 minute wash-up period before the Noon lunch period and also before the end of the shift shall also be provided. Nothing in this provision shall interfere with the right of the employee to take time off from work to meet the ordinary needs of personal hygiene.

Section 9. The District shall furnish the employee in the Utility portion of the Unit with all the tools needed to perform his/her work. Employee shall be responsible for the reasonable care and safekeeping of tools furnished to the employee. Tools are issued for District purposes only and shall not be used for personal, or private, use without the prior permission of the General Manager. For the Business portion of the Unit, the District shall furnish and maintain the office equipment and supplies customary for a utility office that are needed to perform his/her work. Employee shall be

responsible for the reasonable care and safekeeping of their office equipment and supplies, including the securing of data and information stored therein. It is understood that the customer's personal financial and usage data and information is confidential and shall not be subject to disclosure to the public or otherwise to those outside of the District without the approval of the General Manager. Office supplies and equipment, including telephones computers, and software, are for District purposes only and shall not be used for personal or private purposes without the permission of the General Manager.

Section 10. Overtime and Pay for Holidays Worked

- (a) Overtime – All work performed outside the regular working hours shall be paid for at one and one-half (1-1/2) times the applicable straight time rate. Overtime shall be computed in one-half (½) hour increments at the applicable overtime rate in compliance with the Fair Labor Standards Act (FLSA). No overtime work shall be undertaken by employees in the Business portion of the Unit unless requested by, or approved in advance by, the District's Financial Manager (or Designee). If overtime is required by the District, then the District shall endeavor to fairly distribute overtime work that it requires to be performed to all those employees requesting it, provided they possess, in the opinion of the District Financial Manager (or Designee), the required skill and expertise to complete the required tasks. Employees who are designated to work overtime shall be obligated to undertake overtime work at the direction of the Department Manager.
- (b) C.T.O. – Compensatory Time off. Employees shall have the option of payment for overtime in cash payment or in compensatory time off, all which shall be at the time and one-half (1-1/2) rate. Employees shall designate on their time card for which the overtime is worked that they wish C.T.O. The maximum accrual for C.T.O. shall be 40 hours. If CTO is not used in any year, then, as of the last day of the last pay period in December, accrued CTO shall be compensated **by check**. If the Employee commences any unpaid leave of absence, including Worker's Compensation leave, accrued C.T.O. shall be paid in cash. If C.T.O. is not requested, employee will be paid overtime **by check**.
- (c) Callback – After an employee has completed his/her normal or regular workday, and is called back to work, he/she shall be guaranteed a minimum of two (2) hours callback at the time

and one-half (1-1/2) rate.

- (d) Employees who are designated by the Department Manager to work overtime shall be obligated to perform overtime work. The District shall endeavor to fairly distribute overtime work on Saturdays, Sundays, or holidays provided it can do so in a manner which provides staff of appropriate grade and expertise to assure the safe and reliable operation of the Utility systems.
- (e) Weekend Shift Rotation – District and the Union agree that weekend duty should be shared and rotated provided it can be done consistently with the District’s judgment of qualified and adequate staffing levels. Weekend duty shall be assigned at the discretion of the Department Manager and employees so assigned will be obligated to carry out weekend shifts as assigned.
- (f) On Call/Standby – Employees shall be assigned “on-call”, or standby, duty in the discretion of the respective Department Manager. “Standby” refers to a status whereby employee(s) is/are designated to respond outside the normal workday to conditions requiring attention in the District’s water production, treatment, and distribution systems, or to similar conditions within the sewer collector system. “On Call” refers to a status whereby employee(s) is/are designated to respond to SCADA system notifications from the District’s wastewater facilities. All employees designated for standby or on-call shall maintain themselves in a condition to be fit and available to respond as required during the period when they are so designated. Duration of an employee’s designation of standby or on-call shall be as assigned by management, but shall not be longer than one seven day work week without a break of at least one week. The seven day limit may be waived by the assigned employee in that employee’s sole discretion. Effective on the first pay period following full execution of this MOU renewal, standby and on-call assignments shall receive a supplementary compensation of **\$50** per day of designated status, or **\$350** per seven day week. If Unit members so request in writing each pay period, on-call and standby pay shall be paid in two payments, semi-annually. Actual time spent in responding to SCADA and/or performing field services shall be compensated at the overtime rate of one and one half times base hourly compensation, and shall be subject to the minimum call out period set forth in Article III, Section 10. It is agreed that hours spent on standby or on-call shall not be considered “hours worked” under applicable Federal wage and hours laws. On call and standby duties shall be rotated and

shared to the extent practicable, provided adequate coverage with qualified personnel is available.

- (g) Holiday Pay – A ~~Utility~~ employee whose normal work week requires him or her to work on an observed holiday shall be paid straight time pay for 8 hours for the holiday. In addition, employees working on the observed holiday shall receive one and one-half (1-1/2) times the straight time pay rate for each hour worked on the observed holiday. “Observed holiday” for purposes of this section shall be the holiday that is authorized by the District as a paid holiday under Article IV, Section 1, for employees on a Monday – Friday work week. Floating holidays shall not be considered observed holidays. Treatment of paid holidays that fall on a Saturday or Sunday, or on another day that is part of the normal two days off for employees working other than a Monday to Friday week, is addressed in Article IV, Section 2, below.

Section 11. Special Training Classes – All employees on duty may be required to attend “on-the-job” training sessions, including safety, public relations, improving skills, supervisory training, etc. These sessions will be conducted on District time by personnel or other specialized instructors.

ARTICLE IV – HOLIDAYS

Section 1. The following days are recognized as paid holidays by the District:

- The 1st day of January (New Year’s Day)
- The 3rd Monday in January (Martin Luther King Day)
- The 3rd Monday in February (Presidents’ Day)
- Friday before the 31st day in March (Cesar Chavez Day) *Note 1*
- The last Monday in May (Memorial Day)
- The 4th Day of July (Independence Day)
- The 1st Monday in September (Labor Day)
- The 11th day of November (Veterans’ Day) *Note 1*
- The day in November proclaimed as Thanksgiving Day
- The day after Thanksgiving Day
- **The 24th day of December (Christmas Eve Day)**
- The 25th day of December (Christmas Day)
- **The 31st day of December (New Year’s Eve Day)**

Note 1: If the holiday (Veterans’ or Chavez) falls on a Sunday through Tuesday, the holiday will be observed on Monday of that week. If the holiday falls on a Wednesday through Saturday, the holiday

will be observed on the Friday of that week.

Note 2: 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 2. For employees on a Monday – Friday work week, should any of these paid holidays fall on Saturday, the preceding Friday shall be the observed paid holiday; and, should any of these holidays fall on Sunday, the following Monday shall be the observed paid holiday. For employees whose work week includes Saturday and Sunday (who have regularly scheduled days off other than Saturday and Sunday) their regularly scheduled days off shall be treated as “Saturday” and “Sunday” respectively for purposes of determining applicability of pay and overtime for observed holidays falling on their normal days off. For example, if the employee’s work week is Saturday through Wednesday, and the normal days off are Thursday and Friday, and a paid holiday falls on a Thursday, Thursday shall be considered like Saturday, and the “observed holiday” for such employee shall occur on Wednesday, and the provisions of Article III, Section 10 (g) shall apply to work on that day.

Section 3. Two Floating Holidays in each calendar year shall be granted to each employee in the Business and Utility Unit, to be used in the year of accumulation. Floating Holidays must be used in whole-day increments, unless the accrued hours of Floating Holiday do not equate to a whole day. For example; if a new hire starts on April 1st, the awarded Floating Holiday hours would be 12-hours for the current calendar year. The employee would be allowed to use one whole-day and one half day to accommodate the prorated accrual. Floating Holidays shall not accrue to succeeding years.

ARTICLE V – WAGES

Section 1. All Employees in the Utility portion of the Unit shall receive a four percent (4%) salary increase effective, **upon ratification and approval at the next pay period closest to adoption.** The Business portion of the Unit shall receive this increase effective December 1, 2018. A second increase of one percent (1%) shall be granted to the Business and Utility Unit one year after the date of the initial salary increase listed above. A third salary increase of one percent (1%) shall be granted to the Business and Utility Unit two years after the date of the initial salary increase listed above. The three salary increases shall be in addition to any COLA granted under the terms of

language in existing agreement with the Business and Utility Unit. No additional salary adjustments or realignments will be granted by the District to the Business and Utility Unit classifications during the term of this agreement unless initiated by the Board. Pay scales for classifications in this unit of representation shall be as set forth in Exhibit 'A' hereto.

Section 2. COLA. Effective July 1, 2018, or upon ratification of this agreement, whichever occurs sooner a cost of living adjustment equal to the CPI, All Urban Consumers, Western States, BC, or its successor, using the index for the period ending the preceding May 31. The amount of adjustment shall further be limited to not more than **3.5%** and not less than **0.0%**. Additional COLA, similarly computed, will be effective on July 1, 2019 and July 1, 2020.

Section 3. Performance Review/Merit Increase. Merit increases shall be based upon satisfactory performance. Employees shall be evaluated on an Employee Performance Report (EPR) on each employee's anniversary date until an employee reaches the maximum salary step for such employee's salary range. Each employee shall, upon receipt of a satisfactory EPR and the approval of the Board of Directors, will receive a merit increase in salary and shall be advanced to the next higher step of such employee's salary range. If the salary increase is withheld because of a below-standard or unsatisfactory evaluation, and the employee remains employed, second consideration must be given within six (6) months of the anniversary date and at least every six (6) month period thereafter or until the employee receives the merit increase or is terminated.

If the employee disagrees with the EPR, he/she shall have the right to discuss such grievance with his/her immediate supervisor as the first step. If not satisfied at the first step, he/she may discuss such grievance with the General Manager. If not satisfied at that point, he/she shall have the right to discuss the EPR with the Board of Directors as part of a closed session evaluation of the employee. At any level of this procedure, the employee may request Union representation.

The scoring within the EPR reflects the direct observations of the supervising employee(s) preparing the EPR and is a tool to improve employee performance. Therefore, the EPR and the scores shall not be considered an action subject to the Grievance Procedure. An employee who is denied a Step increase shall, however, have the right to grieve such denial to his/her immediate supervisor, and if not satisfied with the supervisor's decision on review, that decision may be reviewed by the General Manager, whose decision shall be final. At either level of this review the employee may request Union representation.

Section 4. For the Utility portion of the Unit **Above Grade Certification**. **Above Grade Certification increases** will be authorized as set forth below; subject to the prior approval of the

General Manager that receipt of such education/certification reasonably meets the needs of the District. Any certification that is incorporated into the requirements of the applicable position description will not be additionally compensated beyond base salary/wages. Employees shall be compensated for any and all above grade certifications as follows:

(a) A one percent (1%) wage increase shall be granted for each grade level, up to and including five (5) grade levels for the following:

1. Wastewater Operator Certificate, State of California
2. Water Treatment Operator Certificate, State of California
3. Water Distribution Operator Certificate, **III**
4. Wastewater Maintenance Certificate, California Water Environment Association.
5. Collection System Operator Certificate, California Water Environment Association.
6. Laboratory Analyst, California Water Environment Association or American Water Works Association.

(b) A one percent (1%) wage increase shall be granted for Bi-Lingual certification.

(c) A one percent (1%) wage increase shall be granted for Class B License. A two percent (2%) increase shall be granted for Class A License.

(d) A three percent (3%) wage increase shall be granted for Cross Connection/Backflow Certificate.

(e) A one percent (1%) increase shall be granted for employees trained and authorized by OPUD to operate industrial lift trucks (forklifts).

The incentive pay for the above certificates will be granted beginning the first pay period following passage of the required written examination (or equivalent point denoting certification). Actual payment will only be made after receipt by the General Manager, of the official certificate or any official letter from the issuing agency stating that the individual has qualified for a certificate and that the certificate is forthcoming.

Section 4.1 For the Business portion of the Unit Education Incentive Plan Education incentive increase will be authorized as forth below, subject to prior approval of the General Manager that receipt of such education/certification reasonably meets the needs of the District. Any certification that is incorporated into the requirements of the applicable position description will not be additionally compensated beyond base salary/wages.

(a) Education and certification incentive on base salary for the Business Office personnel for the following:

1. Certificate of Specialized Computer Training = 1%
2. Possession of an AA or AS Degree or upon completion of 20 college units in a Business office education field = 1%.
3. Possession of a BS or BA Degree from an accredited university or college is a 2% Incentive. If the position description includes minimum requirements of an AA or AS degree, and the employee hold a BA or BA degree, the certification incentive is 1%. Incentives for employees who hold both an associate's degree and bachelorette degree shall not be cumulative, i.e. the combined incentive shall not exceed 2%.
4. Possession of a Water Use Efficiency Practitioner license, grade I = 1%.
5. Possession of a Water Use Efficiency Practitioner license, grade II = 2%.

(b) A two percent (2) incentive on base salary for Business Office personnel who Achieve established fluency in languages other than English that benefit the District in improving communications with significant populations served by the district. Determination of the degree of proficiency, and the determination of significant populations benefited thereby, shall be within the discretion of the General Manager.

The incentive pay for the above certificates will be granted beginning the first pay period following passage of the required written examination. Actual payment will only be made after receipt by the General Manager, of the official certificate or any official letter from the issuing agency stating that the individual has qualified for a certificate and that the certificate is forthcoming.

ARTICLE VI – VACATIONS

Section 1. Employees shall accrue vacation in accordance with the table below:

| <i>Vacation Accrual Table</i> | |
|-------------------------------|----------------------------------|
| <i>Yrs of Service</i> | <i>Accrual Rate in Days/year</i> |
| <i>0 up to 1 yrs</i> | <i>10-days</i> |
| <i>1 up to 2 yrs</i> | <i>11-days</i> |
| <i>2 up to 3 yrs</i> | <i>12-days</i> |

| | |
|------------------------|----------------|
| <i>3 up to 4 yrs</i> | <i>13-days</i> |
| <i>4 up to 5 yrs</i> | <i>15-days</i> |
| <i>5 up to 9 yrs</i> | <i>16-days</i> |
| <i>9 up to 13 yrs</i> | <i>17-days</i> |
| <i>13 up to 17 yrs</i> | <i>18-days</i> |
| <i>17 up to 20 yrs</i> | <i>19-days</i> |
| <i>20 up to 25 yrs</i> | <i>20-days</i> |
| <i>25 up to 30 yrs</i> | <i>21-days</i> |

New hires shall not accrue vacation until they have passed probation. Once a new hire passes probation (typically 6-months) the new hire will be awarded the prorated share of vacation hours they would have accrued had they not been excluded by probation. The maximum accrual shall be 280 hours, after which accrual shall stop until the employee has used vacation time under the accrual cap.

Section 2. In the event of termination of an employment, such employee shall be paid for his/her accrued vacation leave.

Section 3. 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 4. 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, then vacation and sick leave accruals shall only apply to the extent that vacation and sick leave is used.

Section 5. 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.

Section 6. For the Utility portion only, Vacation may not be used in less than 2-hour increments.

ARTICLE VII – SICK LEAVE

Section 1. Employees shall earn and be entitled to 1 day per month worked, or 12 days of sick leave

with pay per year worked.

Section 2. Unused sick leave shall be cumulative from year to year. The maximum accrual for sick leave shall be 1,000-hours.

Section 3. For an absence in excess of 3 days, the District may require the employee to file a physician's certificate or a personal affidavit clearing the employee to return to work. Securing of the certificate shall be at the employee's expense, unless the District requires such certificate from a physician of the District's, rather than the employee's, choosing.

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, certified 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 4. As an additional recognition for employees who spend a working career with the District and who leave the District's employ in good standing, upon retirement or death of an employee (or in the instance of death, the employee's estate) 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 hourly wage at the time of such retirement or death. Additional recognition payment as described in this section shall not be paid for an employee who is terminated for just cause.

Section 5. 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 time.

Section 6. 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 apply to the extent of use of such paid leave.

ARTICLE VIII – BEREAVEMENT LEAVE

Section 1. 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(brother)-in-law, or son(daughter)-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 IX – BASIS FOR LAYOFF AND SEVERANCE PAY

Section 1. In the event of reduction of force for any reason, employees so laid off shall be laid off in accordance with seniority in the classification to which their positions are allocated or in higher classifications. **Prior to any layoff of full-time benefitted employees, all seasonal, temporary and part-time employees shall be let go first, in the classification proposed for layoff.**

Section 2. No regular employee shall be discharged from the District without being given at least two (2) weeks' notice and severance pay, nor shall such employee leave his/her employment without giving a similar notice to the District.

Section 3. This Article will not apply to an employee who is discharged for just cause.

ARTICLE X – HEALTH & WELFARE, PENSIONED HEALTH & WELFARE & PENSION

Section 1. Health & Welfare –

(a) Effective July 1, 2018, or upon ratification of this agreement, whichever occurs later, the District shall contribute the following amounts monthly toward the medical, dental and vision insurance premium cost for all eligible employees enrolled in the OPUD-sponsored medical plan. **If this amount is increased for any management employee, then it shall be increase for this unit as well.**

| | |
|--------------------------------------|----------------|
| Employee Only | \$1,500 |
| Employee plus one dependent | \$1,600 |
| Employee plus two or more dependents | \$2,000 |

(b) Health and Welfare insurance shall be provided through a carrier or carriers chosen by the District.

- (c) Employees who do not use all of the above maximum coverage amounts shall receive NO additional compensation as a result thereof.
- (d) Employees choosing to opt out of the District's Group Health Plan must furnish evidence of equivalent coverage for themselves and all dependents from another source, and only then will receive \$600/mo. in compensation. Any employee opting out will be subject to the rules of the District's insurance plan should he/she seek to re-enter the Plan. For an employee opting out of medical, but wishing to retain dental and/or vision coverage, the cost of the coverage shall be subtracted from the \$600. **If this amount is increased for any management employee, then it shall be increase for this unit as well.**

Section 2. Pension. The following options are available, subject to subsection (e) below:

- (a) District shall pay into the OE-3 pension fund twelve percent (12%) of employee's base hourly rate. Additionally, the District will match up to **2.5%, in total**, of any employee contribution.
- (b) District shall pay into an employee 457 deferred compensation fund 12% of the employee's base hourly rate. Additionally, the District will match up to **2.5%, in total**, of any employee contribution. 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.
- (c) The employee shall be allowed to apportion the contributions between the Pension Trust Fund for Operating Engineers or the Deferred Compensation Plan.
- (d) Employees understand that the OE 3 Plan is undergoing reassessment, and those 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 prior and present 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 3. Life Insurance. Subject to minimum participation restriction implemented by the insurance broker(s), the District will provide \$50,000 in life insurance for each employee. The cost of the premiums will be the responsibility of the District. There is no Opt Out incentive associated with an employee not wishing to use this benefit. If any aspect of the documentation process results in an impediment to coverage, the District will attempt to resolve the issue and request meet and confer as necessary.

ARTICLE XI – UNIFORM COSTS

Section 1. The District shall pay 100% of the cost of rental and laundering of uniforms and will require that all employees in the service field be in uniform.

ARTICLE XII – VEHICLES

Section 1. Employees on weekend duty call, including On-call and Standby, who live within 10 miles of the District office shall be permitted to take a District vehicle to their residence after normal working hours, and such vehicle shall be used only for District business. The 10 mile limit may be extended by express written authorization of the General Manager.

ARTICLE XIII – LONGEVITY WAGE PLAN

Section 1. The longevity rate per years of service will be as follows:

- (a) 5 years of service = 2% of base wage
- (b) 10 years of service = 4% of base wage
- (c) 15 years of service = 6% of base wage
- (d) 20 years of service = 8% of base wage
- (e) 25 years of service = 10% of base wage
- (f) 30 years of service = 12% of base wage
- (g) 35 years of service = 14% of base wages**
- (h) 40 years of service = 16% of base wages**

ARTICLE XIV – MANAGEMENT RIGHTS

Section 1. Retention of Rights. The Union recognizes that the District has, and will continue to retain in all respects, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its public services and its work force performing those services.

Section 2. Exclusive Rights. The exclusive rights of the District shall include, but not be limited to, the right to determine the organization of District governance and the purpose and mission of its constituent agencies; to set standards and levels of service to be offered to the public, and through its management officials, to exercise control and discretion over its organization and operations; to establish and enforce administrative regulations and work rules in addition to and not inconsistent with the specific provisions of this Memorandum of Understanding; to direct its employees; to take disciplinary action; to lay off its employees; to determine the procedures and standards of selection for employment and promotions; to determine whether goods or services shall be purchased or contracted for; to determine the methods, means and personnel by which the District's services are to be provided, purchased or contracted including the right to schedule and assign work and overtime; and to otherwise act in the interest of efficient service to the District and the public. The District retains its rights to assign and place volunteers in accordance with District policy.

To the extent required by law, the District agrees to meet and confer on the impact of the exercise of any such rights upon represented employees prior to implementation.

Section 3. Contracting Out. The District agrees to meet and confer, upon request of the Union, over the impact to Union members of any decision by the District to contract-out bargaining unit work to a non-District enterprise or agency.

ARTICLE XV – NON-PRECEDENCE

The waiver of any breach, term, or condition of this Memorandum of Understanding by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE XVI – ZIPPER CLAUSE, EFFECTIVE DATE AND TERMINATION DATE

Except as otherwise specifically provided herein, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole

and entire agreement between the parties on any and all matters subject to negotiations. Neither party shall, during the term of this Memorandum of Understanding, make demands to the other with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

This Agreement shall be **effective** on the 1st day of July 2018 for the Utility portion of the Unit, and for the Business portion of the Unit, December 1, 2018 or upon the date the agreement is fully ratified, whichever occurs later, and will remain in effect until the 30th day of June 2021.

OLIVEHURST PUBLIC UTILITY DISTRICT

OPERATING ENGINEERS LOCAL UNION
NO. 3 of the International Union of Operating
Engineers, AFL-CIO

President, Board of Directors

Business Representative, OE3

District Clerk

Negotiating Team Member

Negotiating Team Member

**EXHIBIT A
UTILITY PORTION OF THE UNIT PAY SCALE JULY 1 2018**

*Effective date is 7-1-2018

| | | | | | | |
|------------------------------------|---------|---------|---------|---------|---------|---|
| Water Treatment Operator | \$22.72 | \$23.86 | \$25.05 | \$26.31 | \$27.62 | COLA May to May & MOU Eff 07-01-2018 |
| Engineering Technician | \$18.86 | \$19.80 | \$20.79 | \$21.83 | \$22.92 | COLA May to May & MOU Eff 07-01-2018 |
| Field Service Technician | \$14.94 | \$15.69 | \$16.48 | \$17.30 | \$18.17 | COLA May to May & MOU Eff 07-01-2018 |
| Laboratory Analyst | \$20.54 | \$21.57 | \$22.65 | \$23.78 | \$24.97 | COLA May to May & MOU Eff 07-01-2018 |
| Laboratory Director | \$24.34 | \$25.55 | \$26.83 | \$28.17 | \$29.58 | COLA May to May & MOU Eff 07-01-2018 |
| WW Collect Sys Operator Apprentice | \$15.59 | \$16.37 | \$17.19 | \$18.05 | \$18.95 | COLA May to May & MOU Eff 07-01-2018 |
| Wastewater Collection System Op I | \$18.02 | \$18.92 | \$19.87 | \$20.86 | \$21.91 | COLA May to May & MOU Eff 07-01-2018 |
| Wastewater Collection System Op II | \$20.91 | \$21.96 | \$23.06 | \$24.21 | \$25.42 | COLA May to May & MOU Eff 07-01-2018 |
| Utility Worker | \$14.94 | \$15.69 | \$16.48 | \$17.30 | \$18.17 | COLA May to May & MOU Eff 07-01-2018 |
| Utility Operator I | \$19.65 | \$20.63 | \$21.66 | \$22.74 | \$23.88 | COLA May to May & MOU Eff 07-01-2018 |
| Utility Operator II | \$23.30 | \$24.46 | \$25.68 | \$26.97 | \$28.32 | COLA May to May & MOU Eff 07-01-2018 |
| Utility Operator III | \$27.65 | \$29.04 | \$30.49 | \$32.01 | \$33.61 | COLA May to May & MOU Eff 07-01-2018 |
| WWTF Operator Grade II | \$22.72 | \$23.86 | \$25.05 | \$26.31 | \$27.62 | COLA May to May & MOU Eff 07-01-2018 |
| Park Maintenance Coordinator | \$21.11 | \$22.17 | \$23.28 | \$24.44 | \$25.66 | COLA May to May & MOU Eff 07-01-2018 |
| Park Maintenance Worker II | \$19.16 | \$20.11 | \$21.12 | \$22.18 | \$23.29 | COLA May to May & MOU Eff 07-01-2018 |

BUSINESS PORTION OF THE UNIT PAY SCALE JULY 1 2018

| | | | | | | |
|-----------------|--|-------------|-------------|-------------|-------------|-------------|
| Position | | Step | Step | Step | Step | Step |
| | | 1 | 2 | 3 | 4 | 5 |

| | | | | | | |
|-------------------------------------|--|--|--|--|--|-----------------------|
| Account Clerk I | | | | | | Eff. Date 8/1/2018 |
| Account Clerk II | | | | | | Eff. Date 8/1/2018 |
| Administrative Assistant (Pub. Wks) | | | | | | Eff. Date 8/1/2018 |
| Accountant Specialist | | | | | | Eff. Date 8/1/2018 |
| District Clerk / Executive Asst. | | | | | | Eff. Date 8/1/2018 |