

RESOLUTION NO. 2017-379

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS APPROVING AN INITIAL MEMORANDUM OF UNDERSTANDING
BETWEEN THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT AND SERVICE
EMPLOYEES' INTERNATIONAL UNION LOCAL 620**

WHEREAS, the employees of the South San Luis Obispo County Sanitation District are now represented by Service Employees' International Union Local 620 ("SEIU"); and

WHEREAS, the District and SEIU have negotiated in good faith for a period of approximately ten (10) months; and

WHEREAS, the agreement reached by both sides is memorialized in the Memorandum of Understanding (MOU), Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South San Luis Obispo County Sanitation District as follows:

Approves an initial Memorandum of Understanding (Exhibit "A") Between the South San Luis Obispo County Sanitation District and Service Employees' International Union Local 620.

PASSED AND ADOPTED at a regular meeting of the South San Luis Obispo County Sanitation District Board of Directors held this 15th day of November, 2017.

On the motion of Director Brown seconded by Director White,
and by the following roll call vote:

AYES: Directors Brown, White, and Shoals.

NOES:

ABSENT:

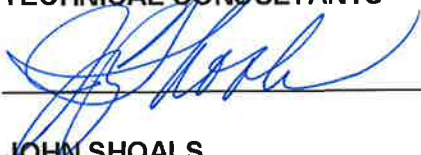
CONFLICTS:

CERTIFICATION

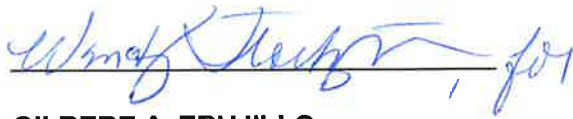
I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held on November 15, 2017.



**PAUL J. KARP OR RICHARD SWEET
TECHNICAL CONSULTANTS**



**JOHN SHOALS
CHAIR, BOARD OF DIRECTORS,
SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**



**GILBERT A. TRUJILLO
DISTRICT CO-LEGAL COUNSEL**

**MEMORNADUM OF UNDERSTANDING
BETWEEN THE SOUTH SAN LUIS
OBISPO COUNTY SANITATION
DISTRICT AND THE SERVICE
EMPLOYEES' INTERNATIONAL
UNION LOCAL 620**

July 1, 2017 through June 30, 2019

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1 DESIGNATION OF THE PARTIES

This Memorandum of Understanding (MOU) is made by and between the South San Luis Obispo County Sanitation District, a California Special District, hereinafter called the District, and the Service Employees International Union, CLC, Local 620, hereinafter called the Union.

2 RECOGNITION

The Union unit was recognized by State Mediation and Conciliation Services on October 13, 2016. This MOU expressly excludes all employees not represented in the bargaining unit.

3 REPRESENTATION

A. Union Officers and Representatives

The District and the Union agree that Union Officers and Representatives shall be allowed to meet with District Representatives for the purposes of meeting and conferring in good faith. If meetings occur during working hours, a reasonable number of participating employees shall receive reasonable time off without loss of compensation or any other benefit when formally meeting and conferring with representatives of the District. For the purposes of this MOU, "reasonable number of participating employees" shall be defined as one (1) employee, unless the District Administrator deems it appropriate to release more than one (1) employee. When determining appropriateness, the District Administrator shall consider the effect on the operations of the District.

B. Employee Relations Officer

The Union agrees to provide the District Employee Relations Officer with a list of Union Officers and Representatives who are authorized to Meet and Confer in good faith and to keep the list up to date.

C. Release Time

The District and Union agree that, upon approval of the District Administrator to release employees from their normal duties, Union staff representatives shall be given access to working locations during hours of work to conduct grievance investigations. A staff representative is defined as a paid full-time or part-time employee of the Union.

4 UNION SECURITY (AGENCY SHOP & MAINTENANCE OF MEMBERSHIP)

A. Election

This Agency Shop provision went into effect following certification of the election results by the State Mediation and Conciliation Service on October 13, 2016. Dues and fees

paid by employees shall become effective with the first full pay period following adoption of this MOU.

B. Definition

Agency Shop as used in this Article means an organizational security agreement as defined in Government Code Section 3502.5 and applicable law.

C. Agency Fee

Each employee in the Unit shall be required to choose to: a) become a member in good standing of the Union; or b) satisfy the agency fee financial obligations set forth below, unless he/she qualifies for the religious exemption set forth below. New employees must make the required choice within 30 days of employment in the Unit.

Unless the employee has a) voluntarily submitted to the District an effective dues deduction request; b) notified the Union of his/her intent to pay an agency fee (full fee or reduced because objections filed), as evidenced by written notice of same from the Union to the District; or, c) qualified for exemption upon religious grounds as provided below, the District, upon notice from the Union of the employee's failure to make a timely choice, shall process a mandatory agency fee payroll deduction in the appropriate amount and forward that amount to the Union. The amount of the fee to be charged shall be determined by the Union subject to applicable law; and shall therefore be an amount not to exceed the normal periodic membership dues and general assessments applicable to Union members.

D. Objection

As to non-members objecting to the Union spending their agency fee on matters unrelated to collective bargaining and contract administration, the amount of the agency shop fee shall not reflect expenditures which the courts have determined to be non-chargeable, including political contributions to candidates and parties, members-only benefits, charitable contributions and ideological expenditures and, to the extent prohibited by law, shall not reflect expenditures for certain aspects of lobbying, ballot measures, publications, organizing and litigation.

E. Conformance With Law

The Union represents that the collection, administration and use of Agency Fee funds shall be in conformance with the law. In addition, the Union shall comply with applicable law regarding disclosure of its expenses, notice to employees of their right to object, provision for Agency Shop fee payers to challenge the Union's determinations of amounts chargeable to objecting non-members, and appropriate escrow provisions to hold contested amounts while the challenges are underway. The Union shall make available, at its expense, an expeditious administrative appeals procedure to Unit

Employees who object to the payment of any portion of the representation service fee. Such procedure shall provide for a prompt decision to be made by an impartial decision-maker jointly selected by the Union and the objecting employee(s). A copy of such procedure shall be made available upon request by the Union to non-Union employees and the District. The foregoing description of permissible agency shop fee charges and related procedures is included here for informational purposes and is not intended to change applicable law. The District will promptly remit to the Union all monies deducted, accompanied by a list of employees for whom such deductions have been made.

F. Employee Notification

Each non-member who is required to pay an agency fee shall annually receive written notification from the Union of the amount of the deduction and the procedure which he/she must follow to receive a rebate for non-representation activities during the year and the procedure for appealing all or any part of the agency fee. The District shall be sent a copy of this yearly notice. Upon request by the Union, the District shall provide the appropriate employee mailing list. The District will make a reasonable effort to distribute to each new employee in the Unit, a letter supplied by the Union which describes the Agency fee obligation.

G. Religious Exemption

Any employee who is a member of a religious body whose traditional tenets or teachings include objections to joining or supporting employee organizations shall not be required to meet the above agency fee obligations, but shall pay by means of mandatory payroll deduction an amount equal to the agency shop fee (proportionate share of the Union's cost of legally authorized representational services), to a non-religious, non-labor charitable organization exempt from taxation under Section 501 (C) (3) of the Internal Revenue Code, as designated by the employee from a list provided by the District.

To qualify for the religious exemption the employee must provide to the Union, with a copy to the District, a written statement of objection, along with verifiable evidence of membership as described above. The District will implement the change in status within thirty (30) days unless notified by the Union that the religious exemption is not valid.

H. Provision of Information

The Union shall furnish any information needed by the District to fulfill the provisions of this Article.

I. Dues/Fee Deductions

Any of the above described payment obligations shall be processed by the District in the usual and customary manner and time frames.

J. Leave Without Pay

Employees on an unpaid leave of absence for an entire pay period or more shall have agency shop fees suspended. Fee deductions shall have the same priority as dues deductions in the current hierarchy for partially compensated pay periods.

K. Rescission of Agency Shop

The Agency Shop provision may be rescinded pursuant to the procedures contained in Government Code Section 3502.5(d).

L. Union's Right to Implementation Election

The Union shall have the right pursuant to state law to implementation elections during the term of this agreement if the agency shop provision is rescinded under the terms of Section J above. If the Union requests an implementation election, the election will be conducted by the California State Mediation and Conciliation Service.

M. Indemnification/Hold Harmless Clause

The Union agrees to fully indemnify, defend and hold harmless the District and its officers, employees and agents against any and all claims, proceedings, settlements and/or liability regarding the legality of this Article or any action taken or not taken by or on behalf of the District under this Section.

N. Maintenance of Membership

All regular unit employees on the effective date of this MOU are members of the Union in good standing and all such employees who thereafter voluntarily become members of the Union shall maintain their membership in the Union in good standing during the term of this MOU, subject however, to the right to resign from membership during Pay Period 13 and 26 annually.

Resignation requests submitted to the District shall be referred to the Union. When resignation requests are received outside the window period, the Union will promptly provide such members a letter explaining the maintenance of membership provision, along with a copy of this section of the MOU. Union members who drop their Union membership but are subject to Agency Shop fee provisions shall still be required to comply with their financial obligations under the Agency Shop provisions. Fee payers may change their status from full fee payer to "core" fee payer by submitting a written request to the Union during the month of August annually.

5 UNION STEWARDS

A. Appointment

The District agrees that the Union may appoint union stewards.—The Union shall furnish the District Administrator with a current written list identifying by name and work location the steward(s) of the Union.

B. Release Time

One union steward shall be authorized when participating in the investigation and processing of a grievance to take a reasonable amount of District time without loss of compensation or benefits to perform these duties, in accordance with Article 3 C of this MOU.

6 USE OF DISTRICT FACILITIES

A. Agreement to Use Bulletin Board

The parties agree that the Union shall have the right to use District bulletin board space allocated for Union literature and notices at the various work sites. This includes allowance of notices of Union meetings, social gatherings, and minutes of Union meetings. All Union notices shall clearly state that they are prepared and authorized by the Union staff representative. Items posted on District bulletin board space shall not contain anything that may be reasonably construed as maligning the District or its representatives. The Union agrees not to post any notices that concern job actions or the political activities of the Union on any District bulletin board.

B. District Right

The District reserves the right to remove any bulletin board notice that does not conform to the above standards. The Union will be given immediate notice of any material that is removed, and the District agrees to, if requested by the Union, meet and discuss this removal as soon as it is mutually convenient.

C. Meeting Rooms

Upon prior arrangement with the District Administrator or designee the District may provide a meeting room (if available) at no cost to the Union for the purpose of conducting meetings. The Union agrees to fully indemnify, defend and hold harmless the District and its officers, employees and agents against any and all claims, proceedings, settlements and/or liability arising as a result of meetings conducted on District property.

7 AGENCY SHOP INFORMATION

As required by law, the District will supply names, addresses, phone numbers and e-mail addresses monthly and when employees are hired.

8 STRIKES AND LOCKOUTS

During the term of this MOU, District agrees that it will not lock out employees, and the Union agrees that it will not engage in, encourage, or approve any strike, slowdown, or other work stoppage growing out of any dispute relating to the terms of the MOU. The Union will take whatever possible lawful steps necessary to prevent any interruption of work in violation of this MOU.

9 MANAGEMENT RIGHTS RESERVED- Relegation of Management Rights

The District retains, solely and exclusively, all rights and authority of Management which have not been expressly abridged or limited by the various provisions of: (1) The Rules, Policies, Procedures, Resolutions, Ordinances or Bylaws of the South San Luis Obispo County Sanitation District Board of Directors as they now exist or may subsequently be amended; or of (2) this MOU.

A. Specific Management Rights Reserved

The sole and exclusive rights and authority of Management, which are not to be abridged by this Memorandum of Understanding, shall include but shall not be limited to, the following:

1. The right to determine the existence or non-existence of facts that are the basis for management decision.
2. The right to determine the nature, manner, and extent of services to be provided to the public, methods of financing, and types or equipment to be used.
3. The rights to establish, continue, discontinue, or modify policies, practices, or procedures (subject to provisions of Meyers-Milias-Brown Act).
4. The right to determine, and to re-determine from time to time, the number, relocation, and types of its operations, and the methods, processes and materials to be employed, including the right to introduce new or improved methods or facilities; to discontinue processes or operations or to discontinue their performance by employees; to determine the number of hours per day or per week operations shall be carried on, and the schedules thereof (subject to provisions of Meyers-Milias-Brown Act).
5. The right to select and determine the number of employees, and schedule the number and types of employees required.
6. The right to assign work to such employees in accordance with requirements determined by management consistent with provisions provided in District's Policy, Procedures & Rules.
7. The right to establish and change work schedules and assignments (subject to provisions of Meyers-Milias-Brown Act).

8. The rights to transfer, reclassify, promote, or demote employees, or to layoff, terminate, or otherwise relieve employees from duty for lack of work or other lawful reasons; to determine the facts of lack of work.
9. The right to make and enforce safety rules and work rules for the maintenance of discipline, and to take disciplinary action.
10. The right to determine and exercise the procedures and standards of selection for employment and promotion.
11. The right to establish and enforce dress and grooming standards.
12. The right to determine the content and intent of job classifications.
13. The right to determine the style and/or types of District-issued wearing apparel, equipment or technology to be used.
14. The District shall reserve all other prerogatives and responsibilities normally inherent in management, provided the same are not contrary to the Memorandum of Understanding (subject to provisions in Meyers-Milias-Brown Act). (Sections A-1-14)

10 EMPLOYEES' RIGHTS

A. Representation

Employees of the District shall have the right, subject to the Rules, Policies, Procedures, Resolutions, Ordinances or Bylaws of the South San Luis Obispo County Sanitation District Board of Directors as they now exist or may subsequently be amended, to join and be represented by an organization of their own choice and participate in their employment with the District.

B. Refusal

Employees of the District shall also have the right to refuse to join or participate in the activities of employee organizations and have the right to represent themselves individually in their employment relations with the District.

C. Right of Free Exercise

No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by the District or any employee organization because of his/her exercise of these rights.

D. Employee Status

Employees represented by this agreement are not "at will" employees and as such have rights codified not only under federal and state law, but also under the terms of this MOU.

11 UNION RIGHTS

A. Leave for Union Business

The District shall allow an employee to take leave for Union business if the District Administrator determines that such leave will not be disruptive of District business. One employee per calendar year shall be designated to attend Union Board meetings. Such employee, with prior approval of the employee's supervisor, may attend Union Board meetings. Such leave is limited to three (3) days per year. Each day is defined as a day equal in length to the employees normal work day at the time of leave. When approving such leave, the District Administrator shall consider the effect of the leave on the operations of the District.

B. Names of Unit Members

As permitted by law, the District will give the Union a list of names, addresses, telephone numbers and e-mail addresses, classifications and work locations of unit members upon request by the Union. The District will not charge for the list.

C. Agenda

The Agendas for District Board Meetings will be available to the Union on the District website, in the same manner as to the public.

12 NON-DISCRIMINATION

A. Application

The District and the Union agree that the provisions of this agreement shall be applied equally to all employees without favor or discrimination because of race, creed, age, national origin, sexual preference, political or religious affiliations, or disability.

B. Unlawful Interference

The District and the Union agree that neither will unlawfully interfere, intimidate, restrain, coerce, nor discriminate against any employee in his/her free choice to participate or not participate in Union activities, or to join or not to join the Union.

13 PERSONNEL FILES

A. Inspection of Files

Material in the personnel file of a unit member which may serve as a basis for affecting the status of his/her employment will be made available for inspection by the employee involved. The request to review a file shall be made by the affected employee in writing to the District Administrator. Upon receipt of a written request, the District Administrator or designee shall allow for review within a reasonable amount of time, within two (2) working days if possible.

B. Comments and Review

When information of a derogatory nature is placed in his/her personnel file a unit member will be given notice and an opportunity to review and comment on that material. An employee will have the right to have his/her own written comments attached to any such derogatory statement, within fifteen (15) working days after given notice of opportunity to review and comment.

C. Authorization to Examine Files

A unit member shall have the right to authorize, in writing, a Union staff representative to examine his/her personnel files. This authorization must be renewed with each subsequent request for review.

14 WORKING OUT OF POSITION

Subject to the provisions in Policy and Procedures Manual Section 3032, Out-of-Class pay, employees directed by their supervisor and assigned to work in a higher salary range position for a period exceeding a full 40 hours of holiday pay and non-overtime hours (productive time) shall be paid in the step of the higher salary range that is deemed by the District Administrator to best reflect the work performed, but no less than a 5% increment over their regular rate of pay, for the entire period that they are required to work out of classification except that the higher salary range cannot be exceeded. The determination of whether an employee has worked out of position will be made solely by the District Administrator in his reasonable discretion and any such decision will not be arbitrary or capricious. The District Administrator's determination shall be final.

15 HOURS OF WORK

A. Work Schedule

Covered employees shall be assigned to work 80 hours in each two-week payroll period consisting of 10 work-days of eight hours each. Assignment of work days and scheduled days off under this schedule shall be at the discretion of the District. Changes of work schedule while at the discretion of management will require a minimum of 72 hours' notice unless the schedule change is due to an emergency declared by the District Administrator and/or Plant Superintendent that would significantly affect operations.

B. Emergency Response

In the event of a declared emergency, the District Administrator or his/her designee shall have the authority to suspend all leave and cause all employees to return to duty.

16 OVERTIME

In addition to their regular time bi-weekly pay, which may include holiday pay or other paid leave, covered employees will receive overtime pay at a rate of 1.5 times the regular hourly rate of pay for all hours worked in addition to the assigned work schedule. Overtime is defined as hours worked in excess of the regular daily work schedule or in excess of the assigned 40 hour week. Paid leave shall be considered time worked for the purposes of computing overtime hours.

If an employee works on a holiday, in addition to the straight time standard holiday pay, all actual hours worked on that holiday shall be compensated at the overtime rate of 1.5 times the actual hours worked.

Authorization for overtime work must be given in advance by the District Administrator if the need for such overtime work can be anticipated during normal working hours. During evenings and weekends, the employee on stand-by duty is authorized to perform essential emergency work and to approve the overtime hours of one additional employee to assist when necessary. If more than one additional employee is needed to assist, then approval must be obtained from a supervisor or the District Administrator.

17 COMPENSATORY TIME

Definition: For purposes of this MOU, compensatory time off ("CTO") is time earned for overtime hours worked but not cashed out (as opposed to "paid leave time" which encompasses all paid leave categories including, but not limited to CTO, Standard Holiday Pay, Float Holiday Pay, Vacation Leave, Sick Leave, Paid Administrative Leave, etc.).

If the employee works longer than eight (8) hours including drive time during any training or seminar, the employee shall accrue CTO at a rate of 1.5 times. CTO can be used in lieu of Vacation or Sick Leave. The amount of time is accrued at 1.5 times but paid at regularly hourly rate.

Compensatory time balances as of the first full pay period in June of each year shall automatically be converted to a cash payment to the employee on the last paycheck in June unless State or federal regulations indicate differently, or extenuating circumstances warrant the District Administrator to authorize a carry-over amount not to exceed 40 hours upon request of an employee. Requests for carry-overs must be submitted in writing to the District Administrator no later than June 15th of each year.

18 STANDBY PAY

A. Standby

Employees required to perform standby service will be paid at the rate of \$50 per day. When required, backup standby will be paid at a rate of \$10 per day. No employee shall simultaneously be paid for stand-by duty time and other compensable duty time.

This is in addition to the employee's pay for regular duty work schedule and is also in addition to any overtime actually worked. Thus, if an employee on standby must respond to a problem that results in time actually worked in excess of a 40 hour week, the standby employee will be paid for the time actually worked at one and one-half times the regular rate. An employee on standby duty will be required to wear a pager or cell phone and be able to arrive at District facilities within 35 minutes. The standby employee may pursue any personal activity that leaves him/her available to promptly, safely and competently respond to calls for response to operational problems or emergencies.

Standby pay will end once the employee is on site.

B. AFTER HOURS CALL-BACK

Each non-exempt employee who responds to a call-back after normal work hours, including on-call workers, shall be compensated for a minimum of 2 hours for each response. If actual work exceeds 2 hours, then all-time worked will be accounted for and paid on an hour for hour basis. If the time worked on call-back qualifies as overtime, then the hours worked will be compensated at one-and-one-half times the regular rate. This call-back section applies to call-back on regular work days or on weekends and holidays.

19 HOLIDAYS

The following are the standard paid holidays observed by this District:

January 1 (New Year's Day)
Martin Luther King Day
February 12th, known as "Lincoln's Birthday"
Third Monday in February (Washington's Birthday observed)
Cesar Chavez Day
Memorial Day
July 4 (Independence Day)
Labor Day
Columbus Day
Veterans Day
Thanksgiving Day
The Friday immediately following Thanksgiving Day

Christmas Day

A. Floating Holiday

The parties agree that in exchange for the previously provided holiday known as "September 9th", "Admissions Day", each employee shall be provided with one floating holiday that may be taken in accordance with the current Personnel Policy Manual (PPM), Section 4000.

The floating holiday shall be credited to each employee who is employed by the District on July 1 of each year, provided the employee was employed continuously by the District on or before the previous January 1. The floating holiday hours will be credited on July 1 of each year.

B. Holiday Observation

Unless otherwise provided in this Article, when a holiday listed herein falls on a Sunday, the following Monday shall be deemed to be the holiday in lieu of the day listed, and when a holiday falls on a Saturday the preceding Friday shall be deemed to be the holiday in lieu of the day listed. If the holiday falls on an employee's Standard Day Off, the employee is to take the holiday on their regular scheduled work day either immediately preceding or following their Standard Day Off.

C. Regular Part-time Employees

Regular part-time employees shall receive holiday pay on a pro rata basis according to hours worked. This does not apply to temporary employees.

20 VACATION

Except as specifically contradicted by this MOU, the District policies regarding vacation are provided in the District's PPM and incorporated herein.

Represented employees shall earn and accrue vacation time on an annual basis in the following manner:

| | |
|------------------------|------------------------------------|
| From 0 up to 2 years | 10 days |
| From 2+ up to 4 years | 11 days |
| From 4+ up to 5 years | 12 days |
| From 5+ up to 6 years | 13 days |
| From 6+ up to 7 years | 14 days |
| From 7+ up to 8 years | 15 days |
| From 8+ up to 10 years | 16 days |
| From 10+ years | 1+ day/year, up to 22 days maximum |

In the event one or more District holiday falls within an annual vacation leave, such holidays shall not be charged as vacation leave, and the vacation leave shall be extended accordingly.

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination with a cap of 280 hours.

21 SICK LEAVE

A. Accrual

Each regular scheduled full-time employee covered by this MOU will earn sick leave from the date of employment, at the rate of one (1) day of sick per month to be accrued. Regular part-time employees shall receive sick leave on a pro rata basis according to hours worked. This does not apply to temporary employees.

B. Usage

Sick leave may be used for such things as: personal illness or injury; required attendance of an employee upon a sick or injured spouse, child or other immediate family member residing with the employee; medical or dental appointments.

C. Separation of Employment

Upon separation of employment, long term employees' accumulated sick leave of up to a maximum of 480 hours to be paid out according to length of District service:

| | |
|-----------------------------|------|
| 10 years' service completed | 25% |
| 15 years' service completed | 50% |
| 20 years' service completed | 100% |

D. Sick Leave Donation

Employees may voluntarily transfer up to forty (40) hours of unused sick leave per fiscal year in one (1) hour increments to a "sick leave bank" under the conditions established herein. The sick leave transfer shall be on an hour for hour basis and subject to the following conditions:

The employee donating the sick leave must have a minimum of eighty (80) hours of accrued sick leave available after the donation. No transfers of sick leave shall be allowed when the donating employee is terminated, separated or retires from the District within nine (9) months after the donation. All transfers to the "sick leave bank" shall be non-reversible and donations shall be processed on the District's Personnel Action Form in the same manner as any other leave request.

Employees eligible to receive sick leave hours from the “sick leave bank” must have been employed by the District for a minimum of eighteen (18) months, have exhausted all paid leave and are suffering from a long term illness or injury that will result in the loss of work for a period of at least twenty consecutive (20) working days. These “sick leave bank” provisions shall extend to the required attendance of an employee for the care of a spouse, child or other immediate family member residing with the employee. The District Administrator shall review, approve, modify or deny requests for the use of the “sick leave bank” based on the employee requests and the criteria established in this Section.

Employees utilizing the “sick leave bank” may integrate these benefits with the provisions of Section 35 of this Memorandum of understanding for State Disability Insurance, as well as Worker’s Compensation, provided however that the total compensation from these sources combined shall not exceed the employee’s base salary.

The District reserves the right to request additional information on the nature of the injury or illness and/or require verification from a medical doctor regarding the diagnosis prior to making an eligibility determination.

E. Conversion

Twenty-five percent (25%) of the sick leave balance may be converted to vacation or pay if no sick leave is used by an employee during the calendar year provided that the employee was employed continuously from January 1st through December 31st. The employee must request the conversion during the month of January for the previous calendar year. Failure to request the conversion during January will result in ineligibility for conversion for the previous calendar year. All requests for conversion are non-reversible and shall require prior approval by the District Administrator.

22 BEREAVEMENT LEAVE

A unit member shall be eligible for a temporary leave of absence without loss of salary upon the death of any member of the immediate family. Such leave is available for each incident but shall be limited to 3 days (24 hours). If bereavement leave has been exhausted, a covered employee may elect to use other paid leave including sick leave, if necessary, for this purpose, not to exceed two (2) additional days. “Immediate family member” is defined below. The employee shall include their familial relationship to the deceased on their bereavement leave form.

23 DEFINITION OF IMMEDIATE FAMILY FOR BEREAVEMENT LEAVE

“Member(s) of Immediate Family” as used for Bereavement Leave only shall mean mother, father, husband, wife, son, daughter, brother, sister, grandmother, grandfather, grandson, granddaughter, guardian, aunts, uncles, and cousins with whom employee has lived. The definition includes “In-Law” relationships in each case and “Step” relationships in the case of parents and children.

24 JURY DUTY

Employees of the District who are called or required to serve as a trial juror upon notification and appropriate verification submitted to his/her supervisor shall be entitled to be absent from his/her duties with the District during the period of such service or while necessarily being present in court as a result of such call. The employee’s normal pay shall be continued during jury duty. It is also conditional upon the employee’s conveyance to the District of any compensation received. The employee shall turn over his/her jury duty pay to the District if jury duty pay is issued by the Courts. Mileage reimbursement issued by the Court remains the property of the employee.

25 ALLOWANCES

A. Boot

Employees in the operations and maintenance unit shall receive an annual boot or safety shoe allowance of \$250 payable in July of each year.

B. Daily Uniform

Employees in the operations and maintenance unit shall be provided uniforms daily as follows:

Work shirt, Pants, Jacket

Employees are expected to avoid negligence to limit damage in the care of their uniforms.

Operations and Maintenance Employees shall be required to wear these items while on duty.

Employees shall maintain their uniforms and other clothing worn on the job in neat and clean condition. The employee shall replace worn or damaged clothing items at District cost.

C. Certificate Reimbursement

The District will pay for certification if necessary for the employee's current position and up to one step above what is required for the employee's current position subject to the District Administrator's discretion and according to budgetary constraints on training and certification. The District shall reimburse the examination application fee upon evidence of successful passing of the exam provided by the employee.

D. Operator Grade

A salary increase of 2.5% for operator grade obtained above that required for position will be paid upon certification as issued by the State of California. The salary increase of 2.5% shall only be paid for one operator grade obtained above that required for the position.

E. Computer Purchase

Provides for \$1,500 interest free computer purchase loan payable within two years from employee's salary as a payroll deduction. In order to receive this loan, the employee is required to enter into a contract for District reimbursement.

F. Longevity Pay

Longevity pay of 2.5% of base pay shall be paid to employees who have completed ten (10) continuous years of service.

26 HEALTH

The District shall pay an amount equal to the current basic plan option monthly premium as defined below, for the District's medical plan for the employee and the employee's dependent coverage.

A. Employer Contributions for Active Employee Healthcare Coverage

For active employees participating in the District's full flex plan, the District will contribute the Minimum Employer Contribution (MEC) as required by the Public Employees' Medical and Hospital Care Act (PEMHCA) per month per employee to be used solely toward medical premiums. For 2017, the MEC is \$128. Effective January 1, 2018, the MEC will be \$133.00 per month.

Effective upon the date of adoption of this MOU by the Board of Directors, the District will implement a full flex cafeteria plan for active employees in accordance with IRS Code Section 125, for those employees who participate in health coverage through the District. Active employees participating in the District's full flex cafeteria plan receive a base monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan.

The monthly flex dollar allowance effective upon the date of adoption of this MOU by the Board of Directors shall be a dollar amount equal to the base amounts defined below, which includes the PEMHCA minimum employer contribution, for an Employee, and Employee & One Dependent or an Employee & Two or More Dependents.

There shall be an open enrollment period once each year prior to the insurance policy anniversary date to allow for changes in coverage.

1. District Flex Dollar Contributions

In each of the contract years, the District's base flex dollar allowance will be established on the following amounts for health. The amounts include the PEMHCA minimum employer contribution, which for calendar year 2017 is \$128.00. In calendar year 2018, the minimum employer contribution will be \$133.00. The base rates during this contract are:

| | |
|------------------------------|------------|
| Employee only: | \$778.45 |
| Employee plus 1 dependent: | \$1,556.90 |
| Employee plus 2+ dependents: | \$2,023.97 |

2. Cost Sharing for Rate Increases Beginning in Calendar Year 2018

Beginning with the 2018 Plan Year and each year thereafter, increases to premiums to active employee health care beyond the base amounts established above shall be shared between the District and employees, with the District and employees each contributing fifty percent (50%) of any increase in health care premiums beyond the base premiums stated above.

B. Retiree Health Coverage

Employees represented by the Union who retire from the California Public Employees' Retirement System (CalPERS) within 120 days of leaving their position with the District are eligible, as determined by CalPERS, to continue in the District's retiree group health insurance program, offered through the Public Employees' Medical and Hospital Care Act (PEMHCA).

The District will contribute the Minimum Contribution (MEC) as required by the PEMHCA per month per retiree to be used solely toward medical premiums. For 2017 the MEC is \$128.00. Effective January 1, 2018, the MEC will be \$133.00 per month, with future adjustments as determined by CalPERS from time to time.

The District shall provide additional stipends toward the cost of medical premiums, to an employee who retires from the District as described in this section, and who qualifies for

and exercises their right through CalPERS to receive the District's retiree group health insurance. The additional stipend shall be paid to the retiree through a Retiree Healthcare Reimbursement Account Trust (Retiree HRA Trust) to be established by the District.

1. Current Classic Employees

Current Classic employees who were members of CalPERS prior to January 1, 2013 and employed by the District prior to the effective date of this MOU:

The District contribution to the PEMHCA minimum employer contribution combined with the Retiree HRA Trust shall be capped at 85% of the current 2017 health insurance rate. In no event shall the District's total contribution to the Retiree HRA Trust exceed the amount described in this section. The District's maximum contributions towards a retiree's Retiree HRA Trust account shall not be subject to change and shall continue for the lifetime of the retiree and the retiree's spouse, in accordance with the PEMHCA eligibility provisions for coverage.

The amounts below include the PEMHCA minimum employer contribution, which for calendar year 2017 is \$128.00. The District's contribution to the Retiree HRA Trust shall be up to the difference between the amounts below minus the PEMHCA minimum employer contribution. The District contribution shall be up to the following amounts:

| | |
|--------------------------------|------------------|
| Retiree only/surviving spouse: | Up to \$662.00 |
| Retiree plus 1 dependent: | Up to \$1,324.00 |
| Retiree plus 2+ dependents: | Up to \$1,720.00 |

The District's contribution to a retiree's Retiree HRA Trust account will decrease if the retiree experiences a change in family status, i.e., a spouse passes away, thereby reducing coverage to survivor only coverage.

2. Current "New Members"

Current "new members" (as defined by the Public Employees' Pension Reform Act of 2013) hired by the District after January 1, 2013, and prior to the effective date of this MOU:

To receive the stipend in addition to the PEMHCA minimum employer contribution employees shall have been employed by the District for ten (10)

continuous years of service to be vested in the benefit, and must be otherwise eligible for retirement from the District. The District contribution toward the Retiree HRA Trust, when combined with the PEMHCA minimum employer contribution, shall be no more than fifty percent (50%) of the individual employee only premium at the time of retirement (50% of the individual employee only premium in the year in which the employee retires) and shall not increase.

C. Employees Hired After Adoption of this MOU

Any employees hired after the effective date of this MOU shall not be eligible for an additional stipend. The District shall contribute the PEMHCA minimum employer contribution as determined by CalPERS from time to time. For calendar year 2017, the minimum contribution amount is \$128.00.

27 DENTAL INSURANCE

Throughout the term of this MOU, the District shall pay an amount equal to the current monthly premium for the District's dental plan for the employee and the employee's dependent coverage.

28 VISION/DENTAL/MEDICAL TRUST

Throughout the term of this MOU, the District shall pay an initial amount of \$500 for each full-time employee and \$500 per fiscal year thereafter into a vision/dental/medical trust fund account. This account will reimburse out of pocket expenses not covered by an individual's vision/dental plan into the next fiscal year. Funds remaining at the end of the fiscal year will carryover, not to exceed an amount equal to \$1,000. The District shall not make the full \$500 annual contribution to an individual's account if the full \$500 annual contribution would cause the balance to exceed \$1,000. The District shall only contribute an amount that brings the individual account balance to \$1,000, and shall only make such contribution after the initial contribution of \$500 per fiscal year. No remaining unused benefit shall be paid to an employee upon termination or retirement.

29 RETIREMENT

The District provides a retirement program for all eligible employees working half-time or more. The Retirement Program may be provided through contract with the California Public Employees Retirement System (CalPERS) as is currently provided and may be integrated with Federal Social Security Program, as is currently provided.

Throughout the term of this MOU, in addition to the District's employer contributions, the District shall pay an amount equal to the employee's contribution to CalPERS (less the

difference required to upgrade from prior 2%@55 to [2.5%@55](#) which is the employee's responsibility) on behalf of the employee.

Contributions made by the District on behalf of employees who are considered "new members" by CalPERS, will be mandated by the PEPRA.

To the extent that the provisions of this Section 29 contradict with the requirements of State law, State law will control.

30 STATE DISABILITY INSURANCE (SDI)

The District shall contribute 50% of the total cost for each employee to become part of the State Disability Insurance Program. Current contribution rate is 1.0% of gross payroll.

The District will make contributions for Social Security Tax at 6.2% and Medicare at 1.45% of gross payroll. The employee pays matching contributions.

31 ADVANCEMENT IN SALARY

The salary range as set forth for each position is divided into five (5) steps (Steps A through E) that shall be applied as follows. The ranges usually reflect approximately 5% between steps in the range.

A. Step Placement

Normally a newly appointed employee is placed upon the "A" step (bottom step) of his/her salary range. However, upon determination of the District Administrator that the needs of the District service and the qualifications of the newly appointed employees warrant such placement, the District Administrator shall have the authority to place an employee at Step B or C of the salary range. The Chair of the Board of Directors shall make the decision to hire any employee at Step D or higher and would only do so after reviewing recommendations made by the District Administrator with respect to the employee's experience and value to the District.

B. Step Increases

1. Other than Step A

Progression from one step of the salary range to the next shall be based upon a satisfactory written employee evaluation of the employee's performance by the District Administrator. (Note that a probationer who was initially appointed above the "B" step may satisfactorily complete probation in 12 months, but will not be eligible for merit step increase until one year from initial employment unless the District Administrator determines that outstanding performance during probation warrants a merit increase at the completion of the probationary period).

2. Step B

Employees may qualify for advancement to Step B, after completion of one year of service, upon the recommendation of the Plant Superintendent and approval by the District Administrator.

3. Step C

Employees may qualify for advancement to Step C, after the completion of one year of service at Step B, upon recommendation of the Plant Superintendent and approval by the District Administrator.

4. Step D

Employees may qualify for advancement to Step D, after completion of one year of service at Step C, upon recommendation of the Plant Superintendent and the approval of the District Administrator.

5. Step E

Employees may qualify for advancement to Step E, after completion of one year of service at Step D, upon recommendation of the Plant Superintendent and the approval of the District Administrator.

32 SALARY INCREASE

Salary ranges of unit members will be increased as follows:

A. July 2017

Effective with the first day of the first full pay period in July 2017, employees covered by this MOU shall receive an increase in salary equal to 2.5% of base salary.

B. July 2018

Effective with the first day of the first full pay period in July 2018, employees covered by this MOU shall receive an increase in salary equal to 2.5% of base salary

33 LAYOFF, BUMPING RIGHTS, REINSTATEMENT

Whenever, in the judgment of the District Board, it becomes necessary, due to the lack of work or lack of funds, or other economic reason, or because the necessity for a regularly allocated 30-hour or full-time position no longer exists, the Board of Directors may abolish any position of employment, and the employee holding such position may be laid off or assigned to a lower paying position.

If layoffs becomes necessary, the procedure outlined in the PPM Section 2050 will apply.

34 GRIEVANCE

An employee may formally claim that he/she has been affected by a specific violation, misapplication, or misinterpretation of a law, District policy, rule, regulation, written instruction and/or MOU provision. The procedure for filing and resolving a grievance described above is provided for in PPM Section 5010.

35 DISCIPLINE AND APPEALS

The procedure for discipline and the appeal thereof is provided for in PPM Section 5020.

36 TERM OF MEMORANDUM OF UNDERSTANDING

The term of this MOU shall be from the date of adoption by the Board of Directors through June 30th, 2019. If either party requests modification or extension of the MOU by April 1 of the year in which the MOU expires, then Meeting and Conferencing shall commence no later than May 1 of the same year to strive for such modification or extension. Provided, however, on mutual agreement of the parties, items subject to the meet and confer process may be opened for discussion during the term with the exception of wages and retirement benefits.

37 CONTRACTING OUT

If it will result in the reduction of normal hours, the District, in accordance with law, will notify the Union 30 days in advance of Board action if it intends to contract out the functions currently performed by employees within the unit. Nothing in this section shall be construed to limit the rights of the Board of Directors to contract outside work in its sole discretion.

38 SEVERABILITY CLAUSE

If any article or section of this MOU shall be found invalid or unlawful by reason of existing or subsequently enacted legislation or by judicial authority, all other articles or sections of this MOU. shall remain in full force and effect for the duration of this MOU.

This Memorandum of Understanding is effective November 15, 2017, and executed this , day of _____, 2017. IN WITNESS WHEREOF, the undersigned have signed this Memorandum of Understanding as of the date first above written.

**SERVICE EMPLOYEES' INTERNATIONAL
UNION LOCAL 620:**

**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT:**

Sam Ramirez
Field Representative

John Shoals
Chairman, Board of Directors

Darryl Scheck
Field Representative

Richard Sweet or Paul J Karp
Technical Consultant

Billy Romhild

Susan Wells
Program Advisor – HR
Regional Government Services

Approved as to Form
Gil Trujillo
Counsel