RESOLUTION 2019-411

A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT GRANTING COST OF LIVING ADJUSTMENTS AND MODIFICATIONS TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE SOUTH SAN LUIS OBISPO SANITATION DISTRICT AND THE SERVICE EMPLOYEES' INTERNATIONAL UNION LOCAL 620; AND ADOPTING A DISTRICT SALARY SCHEDULE

WHEREAS, the District employees are committed to providing high quality service; and

WHEREAS, the South San Luis Obispo County Sanitation District (District) desires to remain competitive in salary and benefits that it provides to its employees and to staff its plant in an effective and economical manner; and

WHEREAS, the District and SEIU have met and negotiated in good faith for a period of approximately seven (7) months; and

WHEREAS, to remain competitive, from time to time the District provides cost of living adjustments and modifications to benefits; and

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

WHEREAS, agencies covered under the California Public Employees Retirement System (CalPERS), are required to adopt full salary schedules as approved by the governing body.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the Board of South San Luis Obispo County Sanitation District hereby approves the following:

- Cost of Living Adjustments for employees in represented classifications as follows:
 - July 2019 effective on the first day of the first full pay period in July 2019, a three percent (3%) Cost of Living Adjustment to base salary; and
 - b. July 2020 effective on the first day of the first full pay period in July 2020, a two point seven five percent (2.75%) Cost of Living Adjustment to base salary; and
- 2. Adopt the Memorandum of Understanding between the South San Luis Obispo County Sanitation District and Service Employees' International Union Local 620 for the period of July 1, 2019 to June 30, 2021, Exhibit "A".
- 3. Adopt a Salary Schedule effective July 1, 2019 as required by California Public Employees Retirement System (CalPERS), Exhibit "B".

The District Administrator, or his/her designee, is hereby authorized and directed to take all steps necessary to implement this resolution.

PASSED AND ADOPTED at a regular meeting of the South San Luis County Sanitation District Board of Directors held this 6th day of November 2019.

On the motion of <u>Ray Russom</u> seconded by <u>Austin</u>, and after the following roll call vote:

AYES: Ray Russom, Austin, Lee

NOES: ABSENT: CONFLICTS:

Jeff Lee, Chair

Board of Directors

South San Luis Obispo County Sanitation District

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO FORM;

DISTRICT COUNSEL

CONTENTS:

DISTRICT ADMINISTRATOR

MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT AND THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620

July 1, 2019 through June 30, 2021

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1 DESIGNATION OF THE PARTIES

A. 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.

B. Recognition

The Union unit was recognized by State Mediation and Conciliation Services on October 13, 2016. This MOU expressly excludes all employees in classifications not represented in the bargaining unit. Represented classifications are: Wastewater Plant Operations Supervisor, Wastewater Plant Senior Operator, Laboratory Technician, Wastewater Plant Operator II, Wastewater Plant Operator II, and Wastewater Plant Operator-in-Training Intern.

2 DEFINITIONS

A. Full-Time Employees

Full-time employees (defined in Personnel Policy Manual Section 2000), are scheduled 40-hours per work week. Benefits defined in this MOU are based on full-time employment.

B. Part-time Employees

Part-time employees (defined in Personnel Policy Manual Section 2000), scheduled a consistent average of 30 hours per workweek, shall receive a pro-rata portion of paid leave and health benefits according to hours worked; and are eligible to participate in CalPERS retirement, as determined by CalPERS.

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, unless doing so would unduly disrupt operations. A staff representative is defined as a paid full-time or part-time employee of the Union.

4 MEMBERSHIP AND MAINTENANCE OF MEMBERSHIP

A. Dues/Fee Deductions

Dues shall be processed by the District in the usual and customary manner and time frames.

B. Leave Without Pay

Employees on an unpaid leave of absence for an entire pay period or more shall have dues suspended.

C. 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.

D. Maintenance of Membership

All employees in the bargaining unit who are members and dues payers on the effective date of the agreement shall remain dues payers for the duration of the agreement unless they choose to drop membership dues in June of each year of the agreement.

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 EMPLOYEE INFORMATION

The District will supply names, addresses, phone numbers and personal e-mail addresses (if available) 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 their exercise of these rights.

D. Employee Status

With the exception of employees serving new-hire probation, 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 workday 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 without favor or discrimination, to all employees in classes protected by Federal or State law including, but not limited to: age, genetic information, marital status, medical condition, mental or physical disability, national origin/ancestry, pregnancy, race/color, religion/creed, sex/gender, sexual orientation, gender identity, military/veteran status, political affiliations, or any other class protected by law.

B. Unlawful Interference

The District and the Union agree that neither will unlawfully interfere, intimidate, restrain, coerce, nor discriminate against any employee in their 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 their 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 their 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 their 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, <u>in writing</u>, a Union staff representative to examine their 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

The regular daily work schedule for full-time employees shall be eight (8) hours and the regular weekly work schedule shall be forty (40) hours. The regular daily work schedule for part-time employees is at least 30-hours per workweek.

The workweek begins on Saturday at 12:00 a.m., and ends on the following Friday at 11:59 p.m. A bi-weekly payroll period for full-time employees consists of ten (10) workdays of eight (8) hours each.

Assignment of workdays 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 Wastewater Plant Superintendent that would significantly affect operations.

B. Emergency Response

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

Employees are responsible for providing current contact information and responding to work upon call at all times outside the regular work week for response in times of national emergency, civil disorder or a disaster, or during times when the health, welfare and safety of the public may be in jeopardy, and to be compensated for the extra work.

16 OVERTIME

A. Overtime Hours

Overtime is defined as hours worked in excess of the regular daily eight (8) hour work schedule, or in excess of the assigned 40-hour work schedule in a workweek. Paid leave shall be considered time worked for the purposes of computing overtime hours. Employees shall receive overtime pay at a rate of one and one-half (1–1/2) times the regular hourly rate of pay for all hours worked in excess of an eight (8) hour day or a forty (40) hour workweek.

B. Working on a Holiday

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.

C. Overtime Authorization

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 standby 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

A. Definition

Definition: For purposes of this MOU, compensatory time off ("CTO") is time earned in lieu of immediate cash payment for overtime hours worked. Overtime hours are defined above.

B. Comp Time or Cash Payment

When employees work overtime, they may request to be paid in compensatory time in lieu of cash payment and the decision is at the discretion of the District Administrator. CTO may be used in lieu of Vacation or Sick Leave and as requested under those provisions.

C. Annual Cash Out

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 AND AFTER-HOURS CALL-BACK

A. Standby

An employee assigned to standby duty will:

- Be required to use a District issued cell phone; and
- Be able to arrive at District facilities within 35 minutes.

The standby employee may pursue any personal activity that leaves them available to promptly, safely and competently respond to calls for response to operational problems or emergencies.

Employees required to perform standby service will be paid at the rate of \$3.13 per hour. When required, backup standby will be paid at a rate of \$0.63 per hour. No employee shall simultaneously be paid for standby duty time and other compensable duty time.

If an employee on standby must respond to a problem that results in overtime, the standby employee will be paid pursuant to After Hours Call-back, below.

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, shall be compensated for a minimum of two (2) hours for each response. 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 of pay. If actual work exceeds 2 hours, then all-time worked will be accounted for and paid to the nearest quarter hour. This call-back section applies to call-back on regular workdays or on weekends and holidays.

19 HOLIDAYS

A. Recognized Holidays

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

January 1 (New Year's Day)

Third Monday in January (Martin Luther King Day)

February 12 (Lincoln's Birthday)

Third Monday in February (Washington's Birthday observed)

March 31 (Cesar Chavez Day)

Last Monday in May (Memorial Day)

July 4 (Independence Day)

First Monday in September (Labor Day)

Second Monday in October (Columbus Day)

November 11 (Veterans Day)

Fourth Thursday in November (Thanksgiving Day)

Friday after Thanksgiving Day

December 25 (Christmas Day)

B. Floating Holiday

The parties agree that in exchange for the previously provided holiday known as "September 9, 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.

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.

C. 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 workday either immediately preceding or following their Standard Day Off.

D. Regular Part-time Employees

Regular part-time employees shall receive holiday pay on a pro rata basis according to hours worked.

20 VACATION

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

A. Full-time Accrual Basis

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

B. Part-time Accrual Basis

Part-time employees shall earn and accrue vacation time on a pro-rata basis according to hours work, pursuant to the schedule above.

C. Holidays During Vacation

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

D. Pay-Out Upon Termination

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 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. Each part-time employee shall receive sick leave from date of employment on a pro rata basis according to hours worked.

B. Usage

Sick leave may be used for: 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	50%
15 years' service completed	100%

D. Sick Leave Donation

- 1. Employees may voluntarily donate 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 donation shall be on an hour for hour basis and subject to the following conditions:
- 2. The employee donating the sick leave must have a minimum of eighty (80) hours of accrued sick leave available after the donation. All donations 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.
- 3. 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.
- 4. 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.
- 5. The District reserves the right to request sufficient documentation from a health care provider prior to making an eligibility determination.

E. Conversion of Sick Leave

Twenty-five percent (25%) of an employee's sick leave balance may be converted to vacation or cashed-out if no sick leave is used by an employee during the fiscal year, provided that the employee was employed continuously from July 1st through June 30th. The employee must request the conversion during the month of July for the previous fiscal year. Failure to request the conversion during July will result in ineligibility for conversion for the previous fiscal 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 their supervisor shall be entitled to be absent from their 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 their 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 shall 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 notify their supervisor if an item becomes worn or damaged for timely replacement by the District.

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 certificate incentive of 2.5% of base pay for operator grade obtained above that required for the employee's classification will be paid upon certification as issued by the State of California. The salary certificate incentive of 2.5% shall only be paid for one operator grade obtained and maintained above that required for the classification.

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 have passed probation and must enter into a repayment 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 make monthly premium contributions 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. If the premium cost for medical coverage is less than the District's flex dollar contribution, the employee shall not receive any unused portion in the form of cash. The MEC is determined by CalPERS and subject to change on an annual basis.

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 MEC, which for calendar year 2019 is \$136.00 per month. Part-time employees shall receive a prorated share of the District's flex dollar contribution.

The District contributions including the MEC are up to:

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

2. Cost Sharing for Rate Increases for Calendar Year 2020 and 2021

In calendar year 2020, the cost of increases beyond the base premiums stated above shall be shared between the District and employees. The plan used to calculate the cost sharing shall be the CalPERS Blue Shield California Access + plan for active employee health care. The District and employees shall each contribute fifty percent (50%) of any increase in health care premiums; except that the out-of-pocket increase per employee per month shall not exceed \$150.00 in calendar year 2020.

In calendar year 2021, the cost in increases beyond the District's 2020 contribution shall be shared between the District and employees. The plan used to calculate the cost sharing shall be the CalPERS Blue Shield California Access + plan for active employee health care. The District and employees shall each contribute fifty percent (50%) of any increased costs; except that the out-of-pocket increase per employee per month shall not exceed \$150.00 in calendar year 2021.

Employees may select the available plan of their choosing and are responsible for paying the difference (through payroll deduction) after the District's flex dollar contribution of the new maximum monthly base contribution. The new District flex dollar contribution maximum monthly base amounts will be updated annually and made available to unit employees prior to each open enrollment period.

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 Employer Contribution (MEC) as required by the PEMHCA per month per retiree to be used solely toward medical premiums. Effective January 1, 2019, the MEC is \$136.00 per month, with future adjustments as determined by CalPERS from time to time.

The District shall provide an additional contribution as a reimbursement 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 contribution reimbursement shall be paid to the retiree through a Retiree Healthcare Reimbursement Account Trust (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 November 15, 2017 and who retire from the District while meeting the eligibility requirements for CalPERS retiree health insurance are eligible for the following:

For CalPERS medical plans under PEMHCA, the District contribution to the PEMHCA minimum employer contribution combined with the Retiree HRA Trust shall be capped at the below rates. In no event shall the District's total contribution to the Retiree HRA Trust exceed the amount defined in this section. The District's maximum obligations for 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, except that 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 retiree only coverage.

The amounts below include the PEMHCA minimum employer contribution, which for calendar year 2019 is \$136.00. 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 as a reimbursement 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 is only for medical plans available through CalPERS/PEMCHA.

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 November 15, 2017 are eligible for the following:

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. The District's contribution is only for medical plans available through CalPERS/PEMHCA.

C. Employees Hired After November 15, 2017

Any employees hired after November 15, 2017, shall not be eligible for an additional contribution as a reimbursement. The District shall contribute the PEMHCA MEC as determined by CalPERS from time to time. For calendar year 2019, the minimum contribution amount is \$136.00.

27 DENTAL AND LIFE INSURANCE

A. 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. 2019 rates are:

Employee only: \$47.16 Employee plus 1 dependent: \$94.33

Employee plus 2+ dependents: \$145.93

B. Life Insurance

The District shall provide term life insurance for each unit member in the amount of \$25,000.

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/medical 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. This benefit may be provided through a Third-Party Administrator of the District's choosing.

29 RETIREMENT

The District provides a retirement program for all eligible employees that qualify under CalPERS 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)/FICA/MEDICARE

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 their 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 plan 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

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.

1. Step B

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

2. 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 Wastewater Plant Superintendent and approval by the District Administrator.

3. Step D

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

4. Step E

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

32 SALARY INCREASE

A. Salary Ranges

Salary ranges of unit members will be increased as follows:

1. July 2019

Effective with the first day of the first full pay period in July 2019, employees covered by this MOU shall receive an increase in salary equal to 3% of base salary.

2. July 2020

Effective with the first day of the first full pay period in July 2020, employees covered by this MOU shall receive an increase in salary equal to 2.75% of base salary.

B. Comparable Agencies

The parties agree to establish a labor-management committee to meet and confer during the term of this contract regarding the selection of comparable agencies.

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 become necessary, the procedure outlined in the PPM Section 2050 will apply.

34 GRIEVANCE

An employee may formally claim that they have 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

As adopted by the Board of Directors the term of this memorandum of understanding shall be from July 1, 2019, through June 30th, 2021. If either party requests modification or extension of the MOU by April 1 of the year in which the MOU expires, then Meeting and Conferring 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 July 1, 2019, and executed this day of November, 2019. IN WITNESS WHEREOF, the undersigned have signed this Memorandum of Understanding as of the date first above written.

SOUTH SAN LUIS OBISPO COUNTY

Jeremy Ghent, District Administrator

SANITATION DISTRICT:

SERVICE EMPLOYEES' INTERNATIONAL UNION LOCAL 620:

Robert MacLeod, Field Representative

SEIU Negotiations Team

Susan Thomas

SEIU Negotiations Team

Billy Rohmhild

SSLOCSD Representative to SEIU Negotiations Team