

OCEANO COMMUNITY SERVICES
DISTRICT AND
SERVICE EMPLOYEES INTERNATIONAL
UNION, LOCAL 620

MEMORANDUM OF UNDERSTANDING

FOR THE PERIOD BETWEEN THE DATE OF RATIFICATION AND JUNE 30th, 2028

1. DESIGNATION OF THE PARTIES

This Memorandum of Understanding ("M.O.U.") is made by and between the Oceano Community Services 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 June 3rd, 2013.

3. REPRESENTATION

A. The District and the Union agree that Union Officers and Representatives are 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.

B. 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. The District and Union agree that, upon approval of the General Manager 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

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

A. Due Deductions - Any of the above-described payment obligations 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 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 17 annually. The union will notify the district immediately when a member drops their membership and becomes a non-member. Under no circumstances will the District withhold dues from non-members.
- E. Resignation requests by union members 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. Non-members may change their status to member at any time subject to the provisions of Local 620's By-Laws.

5. UNION STEWARDS

- A. The District agrees that the Union may appoint union stewards. The Union shall furnish the District Employee Relations Officer with a current written list identifying by name and work location the stewards of the Union.
- B. 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 3C of this MOU.

6. USE OF DISTRICT FACILITIES

- A. 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.

B. Upon prior arrangement with the District General Manager or designee the District may provide a meeting room (if available) at no cost to the Union during non-working hours 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. NEW HIRE INFORMATION As required by law, the District will supply names, addresses, phone numbers and e-mail addresses monthly and when employees are hired.

8. 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 Oceano Community Services District Board of Directors as they now exist or may subsequently be amended; (2) applicable provisions of the Meyers-Milias-Brown Act; or of (3) this Memorandum of Understanding.

A. Specific Management Rights Reserved – The 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:

- i. The right to determine the existence or non-existence of facts that are the basis for management decisions.
- ii. 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.
- iii. The right to establish, continue, discontinue, or modify policies, practices, or procedures.
- iv. 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.

- v. The right to select, determine and schedule the number and types of employees required.
- vi. The right to assign work to such employees as needed and/or in accordance with requirements determined by management consistent with provisions provided in District's Policy, Procedures & Rules.
- vii. The right to establish and change work schedules and assignments.
- viii. The right 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.
- ix. The right to make and enforce rules for the maintenance of discipline, and to take disciplinary action.
- x. The right to determine and exercise the procedures and standards of selection for employment and promotion.
- xi. The right to establish and enforce dress and grooming standards.
- xii. The right to determine the content and intent of job classifications.
- xiii. The right to determine the style and/or types of District-issued wearing apparel, equipment or technology to be used.
- xiv. The District shall reserve all other prerogatives and responsibilities normally inherent in management, provided the same are not contrary to the Memorandum of Understanding. (Sections A- 1-14)

9. EMPLOYEES' RIGHTS

- A. Employees of the District shall have the right, subject to the Rules, Policies, Procedures, Resolutions, Ordinances or Bylaws of the Oceano Community Services 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. 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. 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. 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 M.O.U.

10. UNION RIGHTS

- A. Leave for Union Business – The District shall allow an employee to take leave for Union business if the General Manager 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.
- 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.

11. NON-DISCRIMINATION

- A. 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. The District and the Union agree that neither will unlawfully interfere, intimidate, restrain, coerce, or 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.

12. 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.
- 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 a reasonable time after the item is placed in his/her personnel file.
- 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.

13. WORKING OUT OF POSITION / SELF PERFORMANCE COMPENSATION ADJUSTMENTS

A. Working Out of Position

Employees directed by their supervisor and assigned to work in a higher salary range position for 5 consecutive work hours or more in any pay period shall be paid in the step of the higher salary range that is deemed by the General Manager 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 by the General Manager in his reasonable discretion and any such decision will not be arbitrary or capricious. The General Manager's determination shall be final.

B. Self-Performance Compensation Adjustments

On District projects wherein the District would normally be required to hire private contractors but instead self-performs a project following adoption of a Board Resolution pursuant to section 22035, 22038(a), or 22038(c) of the Public Contracts Code, the Utility System Supervisor, the Water System Operators and the Operators In Training implementing the project shall receive a 15% increase in pay for the hours worked to perform and complete the project.

14. LAYOFF AND REINSTATEMENT POLICY

A. LAYOFF POLICY

When, in the judgment of the Board, it becomes necessary to make a reduction in the work force, layoffs shall be based on seniority within the classification targeted for elimination whenever possible. The District shall provide thirty (30 days) written notice to the Union and the employee(s) affected. Employees subject to layoff shall be eligible to voluntarily demote to a lower classification based on seniority in the lower classification. Reinstatement from layoff shall be based in seniority in the classification where the vacancy occurs. Eligibility for reinstatement by an employee laid off shall be for a period of twenty- four (24) months from the date of layoff.

B. BUMPING RIGHTS

When a covered employee accepts a promotion or reassignment within covered classifications and fails to successfully complete the probationary period for that new promotion or assignment, the affected employee shall have the right to return to the previously held classification, or its replacement if applicable, subject to seniority with the District, based on the employee's original date of hire.

C. REINSTATEMENT POLICY

A former covered employee who has separated from his/her employment with the District in good standing may request reinstatement to his/her previously held position with the District within two years (24 months) of such severance. Under these conditions, reinstatement may be granted by the General Manager, provided there is a vacancy in the previously held classification at the time of the request. If reinstatement is granted within two (2) months of the employee's separation of employment, reinstated employee shall retain his/her original date of hire (the reinstatement date) for seniority purposes, and shall have leave accruals established at the rates in place at the time of the termination in good standing. If reinstatement is granted after two (2) months of the employee's separation of employment, the reinstated employee shall be assigned a new date of hire (the reinstatement date) for seniority purposes and shall have leave accruals established at the rates in place at the time of the termination in good standing. Regardless of the reinstatement date, the health care reimbursement program shall be based upon the new hire date. Such reinstated employee shall serve the typical probationary period for the classification filled through reinstatement.

15. APPEAL FROM MAJOR DISCIPLINE

Under the rules of progressive discipline, the following disciplinary actions in order must be taken.

- 1) Verbal Reprimand
- 2) Written Reprimand
- 3) Suspension
- 4) Demotion
- 5) Reduction in Pay
- 6) Discharge

Under this Policy a regular employee who receives major discipline (defined as any suspension, demotion, reduction in pay, or discharge) may appeal a final Notice of Discipline by delivering their response either verbally or in writing within 10 working days of the notice being received from the supervisor.

Following the acceptance of the appeal the General Manager shall set up and commence a hearing on the appeal within twenty (20) working days unless otherwise waived by both parties. The appellant may appear personally, produce evidence, and have a representative of their choice available at the hearing at employee's expense.

The General Manager shall conduct the Appeal Hearing or, at his/her discretion, may have the hearing conducted by an Arbitrator chosen from a list of 5 names provided by the State Mediation and Conciliation Service to hear and render a decision on the matter. Any such matter shall be advisory only and may be appealed to the General Manager. The appeal must be filed with the General Manager within thirty (30) working days of the written decision of the arbitrator.

The General Manager's decision shall be final.

16. GRIEVANCE PROCEDURE

A. Purpose: It is the purpose of this Article to provide an avenue of communication through which an employee or groups of employees may have their complaint heard and decided in an orderly and fair manner. An employee or an employee group may be represented, by their exclusive representative, in their dealings with the District under this Article.

B. Definition of Grievance: A grievance is a complaint of an employee or group of employees concerning the interpretation or application of:

- i. The administration of the conditions of employment, including job description, salary, and benefits in force between the District and the employee.
- ii. Working conditions within the control of the General Manager, including the District's Policies, Procedures and Rules, and for which no other procedures for orderly solution of such complaints exist.

C. Informal Discussion: Any employee, or group of employees, shall first discuss the alleged grievance with the immediate supervisor within twelve (12) working days of the event comprising the alleged grievance. If the employee is still dissatisfied with the supervisor's solution to the complaint, the grievance may be presented into the grievance procedure.

Procedure: The grievance procedure shall be as follows:

1. If a complaint or grievance has not been resolved at the informal discussion stage, the grievant may submit his/her complaint in writing to the General Manager within five (5) working days of the informal discussion. Within ten (10) working days of receipt of such grievance, the General Manager shall investigate and provide a written response to the grievance.

2. If, within five (5) working days of receipt of the General Manager's written response to the grievance, the employee is still dissatisfied with the resolution proposed, the employee may appeal in writing to the General Manager for a hearing before the District Board. The General Manager, upon receipt of the written appeal to the Board shall schedule an executive closed session of the Board (unless the appellant requests in writing an open session). The session may be at the Board's next regular meeting or at any time within 30 working days of the General Manager's receipt of the written appeal to the Board so long as the employee is given five (5) working days' notice of said session. The employee may present his/her opinion and present facts to the Board and the Board shall hear District evidence and the recommendation of the General Manager. The Board may continue the hearing if this is deemed necessary. The Board shall render its decision within thirty (30) working days from the close of the hearing. The Board's decision shall be final.

17. HOURS OF WORK

A. Work Schedule:

Covered employees shall be assigned to work 80 hours in each two-week payroll period consisting of 10 workdays of eight 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 General Manager that would significantly affect operations.

B. Emergency Response:

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

C. Paydays:

Paydays shall be bi-weekly on alternate Fridays. If a payday falls on a holiday, paychecks will be issued the last workday prior to the designated payday.

18. 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 General Manager 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 General Manager.

19. COMPENSATORY TIME

Definition: For purposes of this M.O.U., 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.).

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 General Manager 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 General Manager no later than June 15th of each year.

20. STANDBY PAY

Certain employees will be required to be on standby for rapid response to District operational problems or emergencies after hours, weekends or holidays. Such standby duty will normally be rotated among employees in a department, as determined by the Department Managers. Standby duty is normally assigned for one week at a time, thus requiring standby outside of duty hours on 5 weekdays plus standby on 2 week-end days. Effective upon ratification, for each day's standby assignment an employee will be paid \$60.00 per day. The \$60.00 is a flat daily stipend and is not subject to overtime calculations.

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 remain in the local area where the pager or cell phone is active, and he/she can respond on site within 30 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.

21. 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 workdays or on weekends and holidays.

22. HOLIDAYS

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

January 1 (New Year's Day)

Martin Luther King Day

President's Day

Memorial Day

Juneteenth

July 4 (Independence Day)

Labor Day

Veterans Day

Thanksgiving Day

The Friday immediately following Thanksgiving Day

Christmas Eve

Christmas Day

New Year's Eve

In addition, all regular OCSD employees shall have two floating Holidays per year. Floating holiday time shall be provided each employee 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 1st. Floating holiday hours will be accrued on July 1st, of each year.

- A. No employee, except an employee on paid leave, will be eligible for regular holiday pay unless he or she shall have worked the regularly scheduled shift preceding and following the designated holiday.
- B. 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.
- C. Regular part-time employees shall receive holiday pay on a pro rata basis according to hours worked. This does not apply to temporary employees.
- D. Floating Holiday 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.

23. VACATION

Except as specifically contradicted by this M.O.U., the District policies regarding vacation are provided in the District Policies and Procedures Manual and incorporated herein.

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

- From the date of employment through the fourth anniversary date of hire at the rate of one working day per month of paid employment (12 working days).
- After the fourth anniversary date of hire through the ninth anniversary date of hire, at a rate of one and one-fourth working days per month of paid employment (15 working days).

- After the ninth anniversary date of hire, vacation time shall be accrued at the rate of one and two-thirds working days per month of paid employment (20 working days).
- In no event shall employees accrue more than 320 hours of vacation.

24. SICK LEAVE

- A. Each regular scheduled full-time employee will earn sick leave from the date of employment, at the rate of 3.7 hours per biweekly pay period (96 hours/year). Regular part-time employees shall receive sick leave on a pro rata basis according to hours worked. This does not apply to temporary employees. Up to 180 days of unused sick leave may be accumulated.
- B. 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. Upon termination of a full-time or regular part-time employee in good standing (i.e., resignation/retirement excluding disciplinary termination and resignation/retirement in lieu of disciplinary termination), he/she will be paid for 100% of accumulated, but unused sick leave, up to a maximum accrual amount of 180 days.
- D. 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:
 - i. 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.

- ii. 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 General Manager 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.
 - iii. 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.
 - iv. 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. Twenty-four (24) hours of sick leave 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 General Manager.

25. SCHOOL ACTIVITY LEAVE

Unit members shall be eligible for up to 8 hours per month and a maximum of 40 hours per year, when requested in advance, for possible child-related activities in the area of education, childcare, and school emergencies. Time allotted for School Activity Leave would be drawn from any and all accumulated paid leave banks, including sick leave.

School Activity Leave includes but is not limited to (1) licensed childcare and school emergencies; (2) finding, enrolling, or re-enrolling a member’s children in school; (3) participating in activities of the school or childcare provider; and (4) addressing school or childcare emergency.

26. 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), where the death and service are within the State of California and up to five days (40 hours) where the death or service is outside the State. Bereavement Leave is limited to 40 hours annually and shall be exhausted when a total of 40 hours have been used in any calendar year. If bereavement leave has been exhausted, a covered employee may be elect to use other paid leave including sick leave, if necessary, for this purpose. "Immediate family member" is defined below. The employee shall include their family relationship to the deceased on their Personnel Action Form.

27. 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 with whom employee has lived. The definition includes "In-Law" relationships in each case and "Step" relationships in the case of parents and children.

28. 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. The employee shall turn over his/her jury duty pay to the District. Temporary employees shall not be paid during their absence from work on jury duty.

29. ALLOWANCES

- A. Employees in the operations and maintenance unit shall receive an annual boot or safety shoe allowance of \$300 payable in July of each year.
- B. Employees in the operation and maintenance unit shall be provided uniforms once annually, as follows:
 - 11 shirts either long sleeve or short sleeve per employee preference
 - 11 pairs of pants
 - 1 jacket
 - Hats as needed

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

Administrative Office Employees shall be provided with two (2) shirts each annually. Employees shall maintain their uniforms and other clothing worn on the job in neat clean condition.

C. The District shall provide an on-going Training & Education Allowance for employees who have received recognized certifications and education above what is required for their job classification. Recognized certificates shall include but not be limited to State Department of Health Services (DHS) Operator Grades above Level II in Wastewater, Water and Laboratory; California Water Environment Association (CWEA), Collection Grades above Level II, American Water Works Association (AWWA) Certifications, Associate of Arts/Science Degrees, Bachelors in Arts/Science Degrees, Spanish Language Certification and other related training and education from a certified institution approved by the General Manager for certificates and/or degrees obtained after July 1, 1997. Such reimbursement shall not be retroactive to signing of the initial collective bargaining agreement and shall be in accordance with the schedule identified below. In order to be eligible, the employee must have obtained the certificate and/or degree while employed by the District and has had prior approval from the General Manager that the training and/or education program qualifies under this allowance. An employee shall only be eligible for reimbursement in the fiscal year in which the training and/or education was completed. Such allowance is not cumulative and may not be carried over from one fiscal year to the next. The maximum allowance in any one fiscal year shall not exceed four hundred dollars \$400.00 per employee.

The following allowances shall be allocated based on satisfactory completion of course work and/or receipt of the appropriate certification:

Water, Wastewater, Laboratory & Collection System Certificates:

Level I – (D1, T1)	\$100
Level II – (D2, T2)	\$200
Level III – (D3)	\$300
Level IV – (D4)	\$400
Associate of Arts/Science:	\$250
Bachelors of Arts/Science:	\$350
Spanish Language Classes above entry level:	\$100
AWWA & other programs approved by the General Manager	\$100
Backflow Certification	\$100

In addition to the Allowances set forth above, the District will pay for certification and/or re-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 General Manager's discretion and according to budgetary constraints on training and certification. The District will pay for employee travel costs relating to training and certification if the District requires the training and/or certification. In situations where training is optional, then the General Manager is authorized to pay for employee travel costs or to authorize cost sharing, including the determination of working hours associated with travel, with the employee. It is within the General Manager's sole and absolute discretion to determine travel expense allocation related to optional training and any such determination is final and non-appealable.

30. HEALTH

For all regular employees working full time, the district will pay 100% of the premiums for the employee only (EE) coverage up to \$1,000 per month, for the employee with one dependent (ED) up to \$1,700 per month, and for the employee with more than one dependent (EF) up to \$2,200 per month ("Benefit Payment Cap") with scheduled increases as detailed below effective July 1 annually. In the event an employee elects a plan option for himself or herself, inclusive of dental, vision and life insurance plans, in excess of the Benefit Payment Cap, the employee shall pay the cost for that plan in excess of the Benefit Payment Cap. If the employee and/or dependent cost of coverage does not meet the Benefit Payment Cap amount, the remaining dollars available may be deferred to a health savings account to be used for medical expenses on a "use it or lose it basis" that will reset to zero at the beginning of each calendar year. Domestic partners (as defined by Family Code Section 297 and registered with the State of California) shall be included as dependents and eligible for the specific benefits described in Articles 31, 32, 33, and 34. The parties mutually understand and agree that the Benefit Payment Caps identified herein shall be phased in over the first five (5) years of the Term as follows:

2023/24

EE - \$1,000
ED - \$1,700
EF - \$ 2,200

2024/25

EE - \$1,050
ED - \$1,800
EF - \$ 2,300

2025/26

EE - \$1,100

ED - \$1,900

EF - \$ 2,400

2026/27

EE - \$1,150

ED - \$2,000

EF - \$ 2,500

2027/28

EE - \$1,200

ED - \$2,100

EF - \$ 2,600

The parties also mutually understand and agree that this MOU can be revisited, insofar as the foregoing health benefits are concerned, if the District elects to participate in the California Public Employee Retirement System health benefit plan or otherwise changes health insurance providers in a manner that would materially affect the health benefits described above.

31. DENTAL INSURANCE

The current Dental Insurance policy shall continue to be provided for each unit member and his/her dependents. The District shall pay 100% of the cost of employee and dependent coverage for such plan up to the Benefit Payment Cap. Any amount over the Benefit Payment Cap will be paid by the employee.

32. VISION CARE

The current Vision care policy plan shall be provided for each unit member and his/her dependents. The District shall pay 100% of the cost of employee and dependent coverage for such plan up to the Benefit Payment Cap. Any amount over the Benefit Payment Cap will be paid by the employee.

33. LIFE INSURANCE

The District shall provide accidental death insurance and pay to the insurance carrier 100% of all employees' premiums payable up to the Benefit Payment Cap. All eligible employees shall be covered by a life insurance plan with double indemnity. Coverage will be \$100,000 with the employee taxed on the cost of the premium exceeding \$50,000 of coverage.



34. RETIREMENT

The District provides a retirement program for all regular employees working half-time or more. The Retirement Program may be provided through contract with the California Public Employees Retirement System (CAL P.E.R.S.) as is currently provided and may be integrated with Federal Social Security Program, as is currently provided. For Employees hired before January 1st, 2013, the District pays both the District's share and 100% of the employee's share of regular payments into CAL P.E.R.S.

The District shall provide the CAL P.E.R.S. 2%at 55 retirement plan for covered employees hired prior to January 1st, 2013, including the highest 3-year computation and credit for unused sick leave.

The District per the Public Employees Pension Reform Act (P.E.P.R.A.) shall provide the P.E.R.S. 2% at62 retirement plan for covered employees hired on or after January 1st, 2013, unless they qualify for the 2%at_55 formula as a "Classic" employee as defined by P.E.P.R.A.

For employees hired after January 1, 2013, who are not Classic employees, the Employee contribution shall not exceed half the normal cost of the plan for this formula as defined by P.E.P.R.A.

To the extent that the provisions of this Section 34 contradict with the requirements of State Law, State Law will control.

35. STATE DISABILITY INSURANCE (SDI)

The District shall provide for the integration of State Disability Insurance benefits with sick leave or vacation time on a pro-rata basis. This procedure shall not allow the employee to receive more than he/she would have received if the employee were on duty, but shall allow the employee to receive a full salary for as long as his/her sick leave/vacation reserves allow through integration.

36. PERMANENT PART-TIME EMPLOYEES

Part-time employees covered by this agreement shall not be eligible for the benefits set forth in this Section 36 unless and until they have worked six (6) consecutive months for the District or One Thousand (1,000) hours, whichever comes first. All other part-time employees are not eligible.

A. An average of under 24 hours per week will receive a pro-rata portion of vacation, sick leave and holiday pay only as recognized for new hires.

B. An average of over 24 hours per week will receive a pro-rata portion of leave i.e., vacation, sick leave and holiday pay as recognized for new hires. No health benefits.

C. An average of over 30 hours per week will receive a pro-rata portion of health benefits, dental benefits, vacation, sick leave, and holiday, as recognized for new hires and P.E.R.S. retirement in pro-rata portion, or as required by law.

37. ADVANCEMENT IN SALARY

The salary range as set forth for each position is divided into seven (7) steps (Steps A through G) that shall be applied as follows. The ranges usually reflect approximately 5% between steps in the range; however, between Step A and Step B and Step B and Step C, the range will usually reflect approximately 2.5% between steps in the range. In addition, after 10 years in service, employees shall receive an additional 5% in addition to their regular rate of pay for longevity pay.

A. Normally a newly appointed employee is placed upon the "A" step (bottom step) of his/her salary range. However, upon determination of the General Manager that the needs of the District and the qualifications of the newly appointed employees warrant such placement, the employee may be started on any step of the salary range.

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 General Manager. Progression from "A" step to "B" step will normally be at the satisfactory completion of a 6-month probationary period. If the probationary period is extended to 12 months, at the discretion of the General Manager, the initial step increase from "A" to "B" step will not be granted until the satisfactory completion of the extended probationary period. Progression from "B" step to "C" step will be upon the satisfactory performance review and merit increase recommendation by the employee's Supervisor to the General Manager, and the General Manager's concurrence. All other step increases ("C" to "D" step), and above will be at one-year intervals between steps, but only upon satisfactory performance review and merit increase determination by the General Manager. (Note that a probationer who was initially appointed above the "B" step may satisfactorily complete probation in 6 months but will not be eligible for merit step increase until one year from initial employment unless the General Manager determines that outstanding performance during probation warrants a merit increase at the completion of the probationary period).

38. PROMOTIONAL ADVANCES

Whenever a full-time employee is promoted to a higher position in the District's service he/she will be placed on a step in the salary range of the new positions which will approximately result in at least a 5% increase in pay compared to the employee's existing pay range. If the top of the new position's salary range ("G" step) does not allow such 5% improvement, then the promotion shall be made to the "G" step of the promotional position's range. Notwithstanding the foregoing, the General Manager retains the right to increase pay in all promotional circumstances above 5% upon a reasonable evaluation of an employee's performance and merit.

39. RATES OF PAY

Effective the first full payroll period in July 2023, base salary ranges of unit members will be increased 6%. For each successive year during the course of this M.O.U., the base salary ranges of unit members will increase the first full payroll period in July by a variable amount between a minimum of 3% and a maximum of 5% as determined via reference to the 12-month percentage change measured each March by the Bureau of Labor Statistics (BLS) Consumer Price Index for all Urban consumers ("CPI-U") of Los Angeles-Anaheim-Long Beach all items index 1982-84=100, not seasonally adjusted (or comparable successor index if changed by BLS).

40. INCORPORATION OF INDEPENDENT DOCUMENTS

Only policies or ordinances that are specifically referred to in this M.O.U. shall be considered part of this M.O.U.

41. TERM OF MEMORANDUM OF UNDERSTANDING

The term of this M.O.U. ("Term") shall be from the date of ratification through June 30th, 2028. If either party requests modification or extension of the M.O.U. by April 1, 2028, then Meeting and Confering shall commence no later than May 1, 2028 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.

42. CONTRACTING OUT

If it results in the reduction of normal hours, the District 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.

43. DISTRICT POLICIES AND PROCEDURES

The District and Union agree to reopen negotiations on revised District Policies and Procedures falling within the scope of representation during the first year of the Agreement.

44. SEVERABILITY CLAUSE

If any article or section of this M.O.U. 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 M.O.U. shall remain in full force and effect for the duration of this M.O.U.

IN WITNESS WHEREOF, the undersigned have signed this Memorandum of Understanding
As of the date first above written.

OCEANO COMMUNITY SERVICES DISTRICT

BY: _____
OCSD President

DATE: ____ / ____ / 2023

Approved as FORM:

BY:  _____
OCSD General Counsel

DATE: 6 / 5 / 2023

SERVICE EMPLOYEE INTERNATIONAL UNION LOCAL 620

BY:  _____

DATE: May / 25th / 2023

BY:  _____

DATE: May / 25 / 2023

BY:  _____

DATE: May / 25th / 2023