

RESOLUTION NO. 2018-12

A RESOLUTION APPROVING A ONE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN MONTEREY ONE WATER AND THE OPERATIONS EMPLOYEES' BARGAINING GROUP

WHEREAS, the present two-year agreement with the Monterey One Water (M1W) Operations Employees' Bargaining Group (OEBG), Resolution No. 2016-09, is scheduled to expire on June 30, 2018, and the M1W Operations Employees' Bargaining Group (OEBG) has been meeting with the General Manager to discuss employee wages and benefits in an attempt to reach a new agreement; and

WHEREAS, the M1W Operator Employees have been exclusively recognized as part of the operations' employee organization during the preceding two years through resolutions covering salaries and benefits, and that the OEBG now wishes to also have a specific Memorandum of Understanding (MOU); and

WHEREAS, based on mutual agreement, the parties now desire to formalize a new one-year agreement between the Operator Employees of the M1W and its Board of Directors;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the M1W that it does hereby approve the attached MOU with the OEBG, along with the employee benefits schedule attached as EXHIBIT A to said MOU, and authorizes the General Manager to execute the same on behalf of the M1W.

PASSED AND ADOPTED by the Board of Directors of the M1W at a Regular Meeting duly held on June 25, 2018, by the following vote:

AYES: **FISCHER, STEFANI, ALLION, MOORE, BARRETT, DE LA ROSA, CARBONE, RUBIO**

NOES: **NONE**

ABSENT: **GRIER, PHILLIPS**



Rudy Fischer, Chair
M1W Board of Directors



Paul A. Sciuto
General Manager/Secretary

**MEMORANDUM OF UNDERSTANDING
BETWEEN
MONTEREY ONE WATER AND
MONTEREY ONE WATER
OPERATIONS EMPLOYEES' BARGAINING GROUP**

STATEMENT OF FACT

1. The Operations Employees' Bargaining Group (OEBG) has been meeting with the General Manager, discussing employee wages and benefits in an attempt to reach a one-year agreement, since the present agreement with the Monterey One Water (M1W) OEBG expires June 30, 2018.
2. The M1W OEBG has been exclusively recognized as the Operations employees' organization through resolutions covering salaries and benefits. The OEBG now wishes to have a new Memorandum of Understanding (MOU) and M1W and OEBG have negotiated terms to be included in this MOU.
3. M1W administration of employer-employee relations shall be conducted in accordance with M1W Resolution 92-04, "A Resolution of the Monterey One Water Establishing Rules and Regulations for the Administration of Employer-Employee Relationship between the Agency and its Employee Organizations."
4. Based on mutual agreement, the parties now desire to formalize a new one-year agreement between the OEBG and the M1W.

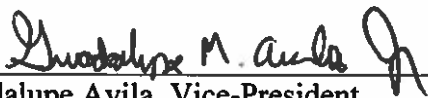
NOW, THEREFORE, the parties agree as follows:

1. The length of this agreement will be one (1) years, beginning July 1, 2018 and ending June 30, 2019.
2. The revised OEBG benefits are outlined in EXHIBIT A, which is attached hereto and incorporated herein by this reference.
3. M1W may periodically review position salaries to take into account expanded duties and responsibilities and use information such as the CASA Salary Survey to make adjustments, as appropriate.
4. In the event of future salary and/or benefit surveys, the following comparison agencies will be used:
 - a. Central Contra Costa Sanitary District
 - b. Central Marin Sanitation Agency
 - c. Delta Diablo Sanitary District
 - d. Dublin San Ramon Sanitary District

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- e. Encina Wastewater Authority
 - f. Inland Empire Utilities
 - g. Irvine Ranch Water District
 - h. Las Virgenes Municipal Water District
 - i. Napa Sanitation District
 - j. Silicon Valley Clean Water
 - k. Union Sanitary District
5. In accordance with the prior written agreements between the parties and except as noted above or attached, all parts and provisions of this agreement become effective on the approval date noted below.
6. The M1W Board of Directors may, in its sole discretion, elect to add employee benefits without negotiating or amending this MOU.
7. The Agency and Association agree to amend the existing contract scheduled to expire June 30, 2018. The amended contract termination date will be June 30, 2019. In the event agreement is not made for a new MOU prior to June 30, 2019, the provisions of the amended MOU shall remain in force until the successor MOU is approved.



Guadalupe Avila, Vice-President
M1W Operations Employees'
Bargaining Group



Paul A. Sciuto
General Manager

June 25, 2018

Date Approved

MEMORANDUM OF UNDERSTANDING

Operations Employees' Bargaining Group

EXHIBIT A

MONTEREY ONE WATER

OPERATIONS EMPLOYEES' BARGAINING GROUP BENEFITS

1. RETIREMENT

A. Tier I Employees

For employees hired prior to May 13, 2012, the Agency will continue to provide the 3% @ 60 Public Employees' Retirement System (PERS) Miscellaneous Members Retirement for each employee covered by this agreement. The same 3% @ 60 will be provided to new employees who were previously employed by the Agency and covered by this formula. Employees will pay 100% of the employee PERS contribution. The Agency's contract with PERS for the 3% @60 plan contains the following:

1. Sick Leave Conversion
2. 1959 Survivor Benefit, third level
3. Highest twelve (12) consecutive months for purposes of determining final compensation
4. Military Service credit as Prior Service
5. Employees Sharing cost of Additional Benefits
 - Employees currently pay an additional .211% of their salary for a total of 8.211%.
6. Uniform allowance included as special compensation for employees in Tier I (3% @60) and Tier II (2% @55)
 - The Agency shall provide employees with uniforms to promote a clean and neat attire amongst our employees. Said uniforms will be the property of the Agency and/or the contractor from which such uniforms are acquired.
 - The Agency shall provide for laundering of the uniforms provided to employees at no cost to the employees.
 - The Agency will report to CalPERS the cost of the benefit in the amount not to exceed \$200.00 per pay period, to each affected employee.

B. Tier II Employees

For employees hired on or after May 13, 2012 that are considered "classic members" in the CalPERS system, the Agency will continue to provide the 2%@ 55 Public Employees' Retirement System (PERS) Miscellaneous Members Retirement for each employee covered by this agreement. The same 2% @ 55 will be provided to new employees who were previously employed by the Agency with this formula or who were previously employed by another PERS (or reciprocal) agency. Employees will pay 100% of the employee PERS contribution. The Agency's contract with PERS for the 2% @55 plan contains the following:

1. Sick Leave Conversion
2. 1959 Survivor Benefit, third level

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3. Highest thirty-six (36) consecutive months for purposes of determining final compensation
4. Military Service credit as Prior Service
5. Employees Sharing cost of Additional Benefits
 - Employees currently pay an additional .211% of their salary for a total of 7.211%.
6. Uniform allowance included as special compensation for employees in Tier I (3% @60) and Tier II (2% @55)
 - The Agency shall provide employees with uniforms to promote a clean and neat attire amongst our employees. Said uniforms will be the property of the Agency and/or the contractor from which such uniforms are acquired.
 - The Agency shall provide for laundering of the uniforms provided to employees at no cost to the employees.
 - The Agency will report to CalPERS the cost of the benefit in the amount not to exceed \$200.00 per pay period, to each affected employee.

C. Tier III Employees

New employees hired on or after January 1, 2013 who have not previously been enrolled in another PERS (or reciprocal) agency will be placed in Tier III. Tier III for these employees is the 2% @ 62 PERS formula. Employees will pay 100% of the employee PERS contribution. The Agency's contract with PERS for the 2% @62 plan contains the following:

1. Sick Leave Conversion
2. 1959 Survivor Benefit, third level
3. Highest thirty-six (36) consecutive months for purposes of determining final compensation
4. Military Service credit as Prior Service
5. Employees Sharing cost of Additional Benefits
 - Employees currently pay an additional .211% of their salary for a total of 6.461%.

2. FISCAL YEAR SALARY ADJUSTMENT

Effective the first pay period in FY18/19, a wage increase of 2.9% will be implemented.

3. HEALTH INSURANCE

The M1W Health Insurance Program includes insurance coverage for health, dental and vision.

A. If an employee was employed prior to April 1, 1986, in lieu of Medicare coverage, the M1W pays the following:

1. \$103 per pay period as base compensation if only employee is covered.

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2. \$31 per pay period as base compensation if employee and one (1) dependent are covered.
- B. In order to fairly share the potential issue of rising health insurance costs, an "Insurance Index" (Index) of 5% will be applied to the M1W's current health care costs to establish the amount of the health insurance budget that is to be provided by the M1W for the following year. The amounts are as follows:
1. January 1, 2018 = \$1,653,089
 2. January 1, 2019 = \$1,735,743
- C. The M1W employees and management will continue to monitor and evaluate M1W's health insurance coverage and costs through the Employee Insurance Committee. The Committee will act as an advisory body to the employees and the General Manager to apprise them of any significant changes in health insurance costs or coverage and to provide the necessary research as conditions warrant. The Committee shall be made up of one to two members from each Bargaining Unit and an Agency representative.
- D. Employee contributions are the total amount that employees contribute toward health insurance costs during the fiscal year. Employees will make contributions per pay period for the family, employee-plus child(ren), and employee-plus spouse insurance plans. Employees with dependent coverage will pay 12% of the total cost to cover their *dependents only*. The Agency will continue to cover 100% of the employee cost of coverage.
- E. Each year the M1W employees and management will structure an insurance plan that will not exceed the baseline as shown in Paragraph B. This structuring may include, but not be limited to, changes to carriers and/or benefits. All qualified and cost effective plans vetted by the Insurance Committee shall be presented to employees for a vote.
- F. In the event the employees are unable, by making reasonable changes to carriers and/or benefits, to structure an insurance plan that provides coverage levels acceptable to the employees, while not exceeding the baseline amount, the employees and the M1W will share the additional health insurance costs above the baseline as shown in Paragraph B. ***50% of this additional amount will be divided equally amongst all M1W employees with dependents and the M1W will pay the remaining 50% of this additional amount.*** The employee's contribution will not increase due to an increase in staff positions. The staffing threshold established for the term of this MOU is eighty (80) benefitted employees.
- G. The M1W is committed to promoting healthy employees and associated reduction in health insurance claims. The M1W will fund the Wellness Program that will raise the standard of health and fitness of all M1W employees. The Wellness Program will be funded by the Agency with oversight from the Wellness Committee.

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H. If modifications to the type or allocation of benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified or may be affected by the Affordable Care Act (ACA) during the term of this agreement, it is agreed that the Agency and OEBG will reopen the contract to meet and confer and determine how such mandated changes will be implemented, and to include addressing other health plan options. It is understood that reopening of the MOU only applies to these limited circumstances and if either party is of the opinion that the subject matter is beyond the scope of the circumstances raised in this paragraph, either party may unilaterally bar the reopening of the MOU.

4. DISABILITY AND TERM LIFE INSURANCE

The M1W pays the full premium for the life, accidental death and dismemberment insurance. The employee is covered for term life insurance in the amount of gross annual income, rounded to the nearest \$1,000, plus an additional \$15,000.

Short-term and long-term disability insurance for non-occupational injuries is provided with 100% of the premium paid by M1W. If an employee has a non-occupational injury, after a 30-day waiting period, an employee may apply for this insurance at the rate of 66 2/3% of an employee's monthly salary.

5. STAND-BY PAY

The Agency will provide two (2) hours of base pay per weekday, or three (3) hours of base pay per day for holidays and weekends, with no reduction in benefits while on stand-by status.

6. CALL BACK

The Agency shall provide two (2) hours of base pay at time-and-a-half (1 ½) guaranteed if an employee is required to return to work on call back to duty; work required over two (2) hours will be paid at time-and-a-half (1 ½) pay for actual period of required call-back service.

7. SHIFT DIFFERENTIAL

OEBG employees will receive shift differentials as follows: Weekend day shift, 6% of the base salary per hour; Swing Shift, 6% of the base salary per hour; and Graveyard shift 8% of the base salary per hour.

8. DOUBLE BACK PAY

If, in a twenty-four (24) hour period, an employee is required to work two (2) shifts with eight (8) hours or less off, the employee shall be paid time and one-half for the number of hours over their first, regular shift up to a total of twelve (12) hours for both shifts and shall be paid double time for the remainder of the second shift.

9. OVERTIME/COMP TIME

Operations employees classified as non-exempt from overtime shall receive time-and-a-half (1 ½) for authorized overtime for work in excess of eight (8), or nine (9) hours, if working a flex schedule, in a twenty-four (24) hour period, or over forty (40) hours in a work week. Non-exempt employees working overtime shall elect whether to receive either overtime pay or compensatory time at time-

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and-a-half (1 ½) for each hour worked. Compensatory time is limited to a maximum accumulation of one hundred twenty (120) hours. All overtime earned once an employee has accumulated 120 hours will be paid out in overtime pay, unless otherwise approved, in writing, by the General Manager.

10. VACATION

For regular, full-time employees:

| <u>Years of Service</u> | <u>Hours Accrued</u> |
|--|--|
| A. Less 3 years: | 80 hours accrued annually. |
| B. 3-8 years: | 120 hours accrued annually. |
| C. 8-15 years: | 160 hours accrued annually. |
| D. 15-20 years: | 176 hours accrued annually. |
| E. 20-30 years: | 200 hours accrued annually. |
| F. Greater than 30 years | receive 4 additional hours per year of service |
| G. Maximum vacation accumulation is four hundred forty (440) hours (any exceptions or use restrictions are stated in the Employee Handbook). | |

11. HOLIDAYS

| | |
|--|--|
| New Year's Day | Martin Luther King's Birthday |
| President's Day | Spring Holiday |
| Memorial Day | Independence Day |
| Labor Day | Columbus Day |
| Veterans Day | Thanksgiving Day |
| Day following Thanksgiving | Christmas Day |
| Work day immediately preceding Christmas Day | Floating Holiday (All employees will receive one per fiscal year and if not used during the fiscal year, the day will be lost) |

Sunday Holidays: Take the following Monday

Saturday holidays: Take the preceding Friday

All Holidays are worth nine (9) hours. If an employee is not on the flex schedule and works eight (8) hour days, they will be able to put one (1) hour per holiday into the Holiday Leave bank.

All employees who are required or authorized to work on a holiday listed above (not including the floating holiday) will be paid at the rate of time and one-half the normal regularly assigned basic pay rate in addition to the normal pay except for New Year's Day, Thanksgiving Day and Christmas Day, which will be paid at a double-time rate in addition to their normal pay.

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12. SICK LEAVE

OEBG members accrue 3.70 hours of sick leave per pay period from their date of hire (for a total of 96.2 hours annually). Since the Agency provides for CalPERS sick leave credit and that employees are encouraged to conserve sick leave should it be needed for an unexpected personal disability, there is no limit on the maximum number of hours an employee can accumulate. Refer to the Employee Handbook for additional information.

13. BEREAVEMENT LEAVE

OEBG members are eligible for up to five (5) days of paid time off to make funeral arrangements and to attend the funeral of an immediate member of their family. Refer to the Employee Handbook for additional information.

14. CERTIFICATION AND LICENSE FEES

The M1W will pay pertinent original certification, license, registration, and renewal fees related to the job. M1W will pay for a vehicle license or certificate, other than a Class C, if the employee is required by a regulatory authority or the Agency to possess such a license to perform work duties as assigned.

15. CERTIFICATION INCENTIVES

OEBG members will receive a 2.5% salary increase if they receive their State Water Resources Control Board (SWRCB) Grade IV certification. If after obtaining the Grade IV certification an OEBG member receives their SWRCB Grade V certification, they will receive an additional 3.5% salary increase. If the employee bypasses the Grade IV certification and attains the Grade V certification, they will receive 6%, which is the cumulative amount for both grades. Refer to Appendix A1 of the Employee Handbook for additional information.

16. CAREER INCENTIVES

Employees will receive a 2.5% salary increase if they receive a four year degree. If they receive a degree beyond a four year, i.e. and MA/MS/MBA, they will receive an additional 3.5% salary increase. If the employee's position requires a high school diploma or equivalent and they have a degree beyond a four year degree, they will receive 6%, which is the cumulative amount for both grades. Refer the Appendix A2 of the Employee Handbook for additional information.

17. TUITION REIMBURSEMENT PROGRAM

Employees are encouraged to advance their job-related skills and education through the Agency's Tuition Reimbursement Program. Reimbursement is limited to the following:

- Community College = \$1,000 per calendar year
- University/State School = \$2,500 per calendar year
- Master's Degree level = \$3,500 per calendar year

Refer to the Employee Training and Development policy for additional information on qualifications

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18. EMPLOYEES ASSIGNED M1W VEHICLES

Employees assigned M1W vehicles shall comply with all policies set forth in Appendix B of the Employee Handbook.

19. LONGEVITY PAY

Employees attaining 10 years of service with the Agency will receive a 2.5% longevity pay increase.

Employees attaining 20 years of service will receive an additional 5% longevity pay increase.

20. NEGOTIATION TIME

The Operations employees and their negotiating teams will be granted a reasonable amount of time during regular work hours to negotiate and meet-and-confer for the preparation of a Memorandum of Understanding and associated benefits.