

**MEMORANDUM OF UNDERSTANDING
BETWEEN
OLIVEHURST PUBLIC UTILITY DISTRICT AND
MEMBERS OF THE MANAGEMENT & PROFESSIONAL
EMPLOYEES ASSOCIATION**

PREAMBLE

On the date hereinafter subscribed, authorized representatives of the Olivehurst Public Utility District, hereafter called District, and the members of the Olivehurst Public Utility District Management & Professional Employees Association (MPEA) made and entered into this Memorandum of Understanding, hereinafter referred to as "Agreement." This Agreement is intended to promote harmonious employer/employee relations, and to establish rates of pay, hours of work and other terms and conditions of employment for the Management and Professional employees of OPUD.

This Agreement supersedes and replaces all previous agreements on these points by and between Olivehurst Public Utility District and any of the parties executing this Agreement.

TERM

This Agreement shall have a term of three (3) years commencing on November 24, 2014, and terminating on November 24, 2017. Notwithstanding the foregoing, upon termination of this Agreement the terms and conditions hereof in effect during the last year shall continue in force and effect until replaced by a succeeding agreement.

Article I. WAGES

Section 1.01 Effective July 1, 2015 and again on July 1, 2016 and again on July 1, 2017, the District shall implement a cost of living increase equal to the Consumer Price Index All Urban Consumers (CPI-U), West B/C. The COLA adjustment shall be based on the 12 months ending May 31, of each year during the term hereof. The amount of adjustment shall further be limited to not more than 3% and not less than 0%. It is understood that the data from the agreed upon Index may not be available until after the anniversary date, in which case, the effective change in cost of living shall be made effective, retroactively, to July 1 of each year.

Article II. LONGEVITY SALARY PLAN

Section 2.01 The longevity rate per years of service will be as follows:

- (a) 5 years of service = 2% of base salary
- (b) 10 years of service = 4% of base salary
- (c) 15 years of service = 6% of base salary

- (d) 20 years of service = 8% of base salary
 (e) 25 years of service = 10% of base salary

Article III. MEDICAL/DENTAL/OPTICAL INSURANCE BENEFITS

Section 3.01 OPUD shall contribute the following amounts monthly toward the medical, dental and vision insurance premium cost for all eligible employees enrolled in the OPUD-sponsored medical plan:

- Employee Only: \$ 1,450.00
- Employee plus one dependent: \$ 1,450.00
- Employee plus two or more dependents: \$ 1,750.00

Effective December 1, 2014, should the OPUD-sponsored medical insurance premium rates be increased on or after December 1, 2014, OPUD shall contribute as of the date of the increase up to the following amounts monthly toward the medical, dental and vision insurance premium cost for all eligible employees enrolled in the OPUD-sponsored medical plan:

- •Employee Only: \$ 1,500.00
- •Employee plus one dependent: \$ 1,500.00
- •Employee plus two or more dependents: \$ 1,825.00

Effective December 1, 2015, should the OPUD-sponsored medical insurance premium rates be increased on or after December 1, 2015, OPUD shall contribute as of the date of the increase up to the following amounts monthly toward the medical, dental and vision insurance premiums for all eligible employees enrolled in the OPUD-sponsored medical plan:

- •Employee Only: \$ 1,500.00
- •Employee plus one dependent: \$ 1,525.00
- •Employee plus two or more dependents: \$ 1,925.00

Effective December 1, 2016, should the OPUD-sponsored medical insurance premium rates be increased on or after December 1, 2016, OPUD shall contribute as of the date of the increase up to the following amounts monthly toward the medical, dental and vision insurance premiums for all eligible employees enrolled in the OPUD-sponsored medical plan:

- •Employee Only: \$ 1,500.00
- •Employee plus one dependent: \$ 1,600.00
- •Employee plus two or more dependents: \$ 2,000.00

In no case shall the OPUD contribution toward any employee's medical, dental and vision insurance premiums exceed the total premium amount.

Section 3.02 Health and Welfare insurance shall be provided through a carrier or carriers chosen by the District.

Section 3.03 Employees who do not use all of the above maximum coverage amounts shall receive NO additional compensation as a result thereof.

Employees choosing to opt out of the District's Group Health Plan must furnish evidence of equivalent coverage for themselves and all dependents from another source, and only then will receive \$400/mo. in compensation. Any employee opting out will be subject to the rules of the District's insurance plan should he/she seek to re-enter the Plan. For an employee opting out of medical, but wishing to retain dental and/or vision coverage, the cost of the coverage shall be subtracted from the \$400. The District shall not separately provide coverage for an employee who is already receiving benefits through his/her spouse or domestic partner's insurance coverage.

Article IV. LIFE INSURANCE

Beginning with an effective coverage date of April 1, 2012, the District will provide \$50,000 in life insurance for each employee. The cost of the premiums will be the responsibility of the District. There is no Opt Out incentive associated with an employee not wishing to use this benefit.

Article V. PENSION

Section 5.01 District shall pay into the OE-3 pension fund twelve percent (12%) of employee's base monthly salary. Additionally, the District will provide a matching contribution of up to 1% of base monthly salary if the employee contributes at least 1% of his/her base monthly salary toward his/her fund.

Section 5.02 In lieu of OE-3 pension contributions, the District shall pay into an employee 457 deferred compensation fund twelve (12%) of the employee's base monthly salary. Additionally, the District will provide a matching contribution of up to 1% of base monthly salary if the employee contributes at least 1% of his/her base monthly salary toward his/her fund. The investments available under the deferred compensation fund shall be designated by the employees and the District from time to time by majority vote of the employees, reasonably approved by the District. The terms of the Deferred Compensation Plan shall be consistent with the requirements of law.

Section 5.03 The employee shall be allowed to apportion the contributions between the Pension Trust Fund for Operating Engineers (the "OE 3 Plan") or the Deferred Compensation Plan (the "457 Plan"). However, the maximum cumulative District contribution is limited to 12% of the employee base monthly salary plus any contribution match if applicable.

Section 5.04 Employees understand that the OE 3 Plan is undergoing reassessment and that changes to the OE 3 Plan, ordered by its Trustees, may substantially reduce the benefits of the OE

3 Plan, increase its costs, or both. The District has no control over these changes nor can the District predict what will occur. It's also possible that such changes will restrict or prohibit the District's employees from placing their retirement funds in the 457 Plan directly, or impose substantial penalties on the District because the actions of employees in depositing retirement funds in the 457 Plan constitutes a technical withdrawal from the OE 3 Plan. District does not hereby commit to maintaining the 457 Plan, nor to paying any penalties, surcharges, or increased costs associated with the changes to the OE 3 Plan. Costs of such changes shall not be an obligation of the District but shall necessitate the reopening of this MOU and continued meet and confer regarding the treatment and responsibility for such costs.

Section 5.05 The salaries of OPUD management and professional employees are set individually by the Board. To offset the modification of the District retirement contribution to employee salaries mentioned in Sections 5.01, 5.02, and 5.03 above, however, each employee covered by this Agreement as of the date of ratification shall receive a one-time one percent (1%) increase to his or her salary rate.

Article VI. VACATIONS

Section 6.01 Employees shall accrue vacation in accordance with the table below:

<i>Vacation Accrual Table</i>	
<i>Yrs of Service</i>	<i>Accrual Rate in Days/year</i>
<i>0-1 yrs</i>	<i>10-days</i>
<i>1-2 yrs</i>	<i>11-days</i>
<i>2-3 yrs</i>	<i>12-days</i>
<i>3-4 yrs</i>	<i>13-days</i>
<i>4-5 yrs</i>	<i>15-days</i>
<i>5-9 yrs</i>	<i>16-days</i>
<i>9-13 yrs</i>	<i>17-days</i>
<i>13-17 yrs</i>	<i>18-days</i>
<i>17-20 yrs</i>	<i>19-days</i>
<i>>20 yrs</i>	<i>20-days</i>

Section 6.02 In the event of termination of an employment, such employee shall be paid for his/her accrued vacation leave.

Section 6.03 In the event one or more observed holidays fall during an annual vacation leave, the observed holidays shall be observed as such and shall not be charged as vacation leave.

Section 6.04 Vacation shall not accrue during any period of unpaid leave, including leave taken in accordance with the Workers' Compensation Laws. If unpaid leave is supplemented with paid sick leave or vacation leave, than vacation and sick leave accruals shall only apply to the extent that vacation and sick leave is used.

Section 6.05 Use a week/Sell a week. To encourage the use of vacation, the District will allow a vacation leave sell-back policy whereby employees with at least 180 hours of accrued vacation may sell back up to one week (40 hours) of leave provided that the leave tendered for sell back is offered in conjunction with the employee taking a week (40 hours) of leave. No more than one week (40 hours) of vacation can be sold per calendar year.

Section 6.06 It is agreed that accrual of vacation will discontinue at any time an employee achieves 280 hours of accrued vacation.

Section 6.07 New hires shall not accrue vacation until they have passed probation. Once a new hire passes probation (typically one year) the new hire will be awarded the prorated share of vacation hours they would have accrued had they not been excluded by probation.

Article VII. ADMINISTRATIVE LEAVE

Section 7.01 MPEA members required to attend monthly Board meetings shall receive eight (8) days of administrative leave per year. MPEA members not required to attend Board meetings shall receive four (4) days of administrative leave per calendar year, prorated as necessary for any partial year. In either scenario, Administrative Leave is to be used in the calendar year in which it is accumulated and shall not carry over to succeeding years.

Article VIII. SICK LEAVE

Section 8.01 Employees shall accrue 3.67 hours per pay period or 12 days per year of sick leave with pay.

Section 8.02 Unused sick leave shall be cumulative from year to year.

Section 8.03 An employee absent for 30 days or more on sick leave or other authorized medical leave may be required to file a physical fitness report every 30 days, including a fitness to return to work certificate, issued by the employee's physician, and at the employee's expense. The District may request that such certification(s) be issued by a physician of the District's choice. If a physician is chosen by the District, the District will pay the physician's fees.

Section 8.04 As an additional recognition for employees who spend a working career with the District an employee in good standing, (or in the instance of death, the employee's estate) , upon retirement or death, who is at least 53 years of age and who has at least 15 years of continuous service for the District shall be paid a sum equal to 25% of his/her accrued sick leave. Such payment shall be computed on the basis of the employee's regular salary wage at the time of such retirement or death. Such payment shall not be made for an employee terminated for cause.

Section 8.05 Notwithstanding the foregoing, it is recognized that for those employees who have accrued, as of the date of execution hereof, more than 1,000 hours of sick leave, the District and such employees, without either party conceding or acknowledging the strength or weaknesses of

their own or the other party's position, shall enter into good faith negotiations to resolve and reduce said accrued vacation to the maximum allowed hereby. It is also understood that, notwithstanding the termination of the term hereof, vacation accruals allowed hereby will be retained by the employees and may not be reduced or eliminated without the express consent of the employee through further negotiation.

Section 8.06 If an employee is injured on the job, for the day of injury only, time off required for medical attention or recuperation ordered by the employee's physician, shall not be charged to the employee's accrued sick leave.

Section 8.07 Sick leave shall not accrue during any period of unpaid leave, including leave taken pursuant to the Workers' Compensation laws. If unpaid leave is supplemented with paid sick leave or vacation leave, then accruals of sick leave and vacation shall be reduced to the extent of use of such paid leave.

Article IX. HOLIDAYS

Section 9.01 The following days are recognized as paid holidays by the District:

- a) The 1st day of January (New Year's Day)
- b) The 3rd Monday in January (Martin Luther King Day)
- c) The 3rd Monday in February (Presidents' Day)
- d) Friday before the 31st day in March (Cesar Chavez Day) *Note 1*
- e) The last Monday in May (Memorial Day)
- f) The 4th Day of July (Independence Day)
- g) The 1st Monday in September (Labor Day)
- h) The 11th day of November (Veterans' Day) *Note 1*
- i) The day in November proclaimed as Thanksgiving Day
- j) The day after Thanksgiving Day
- k) The 25th day of December (Christmas Day)
- l) Any day designated as a holiday by proclamation of the Governor of the State of California or the President of the United States when affirmatively made a holiday by Resolution of the Board

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

Section 9.02 Employees shall be granted two (2) Floating Holidays in each calendar year, to be used in the year of accumulation. Floating Holidays shall not accrue to succeeding years.

Section 9.03 In any year, in which Christmas Day and New Year's Day are observed on Monday, each employee will be given the choice of being off the preceding Friday or the following Tuesday, provided that the General Manager may designate employees in the MPEA required to work on either day in the event the employees' preferred holiday results in inadequate staffing on either

day. The day chosen by the employee shall be considered the observed holiday for that employee, the alternative day shall be considered a regular work day.

Article X. BEREAVEMENT LEAVE

Section 10.01 Death of Member in Employee’s Immediate Family – The immediate family is defined as a person related by blood, adoption or marriage or any person who has resided in the immediate household of the employee. Each such absence shall be charged to bereavement leave and shall not exceed 3 days, or 5 days for out-of-state death. If such absence requires additional time away from work, the employee has the option to charge additional leave time with pay to his/her sick leave or annual vacation leave, to the extent that such leave time has been accumulated by the employee.

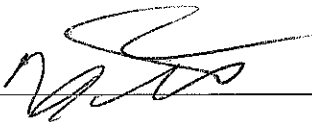
Article XI. OTHER PROVISIONS APPLICABLE TO MANAGEMENT EMPLOYEES

Section 11.01 As Management Employees, the undersigned are responsible for the administration and effective control and direction of the District in accordance with the policies established by the Board of Directors and they carry out their functions with substantial discretion. Therefore, said employees are professional and administrative employees and will not be entitled to overtime compensation but will be expected to perform all services needed whenever needed to ensure that the operations of the District’s units under their control and direction are carried out to the best of their ability.

Section 11.02 MPEA Members shall receive at least one annual performance appraisal to be conducted by the General Manager of the District.

AGREED to this 18th day of December, 2014, at Olivehurst, California.

OLIVEHURST PUBLIC UTILITY
DISTRICT



MEMBERS OF THE MANAGEMENT &
PROFESSIONAL EMPLOYEES ASSOCIATION

