



October 10, 2014

TO: LOCSD Board of Directors

FROM: Kathy A. Kivley, General Manager *Kathy A. Kivley*

SUBJECT: **Agenda Item 11E – 11/13/2014 Board Meeting**
Adopt Resolution Approving the Memorandum of Understanding (MOU) between LOCSD and SLOCEA for the Miscellaneous Employees Bargaining Unit through June 30, 2015

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Craig V. Baltimore

Vice President
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DESCRIPTION

Adopt a resolution approving the MOU between the District and SLOCEA for the miscellaneous Employees Bargaining Unit though June 30, 2015.

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution 2014-25 approving the MOU between the LOCSD and SLOCEA for the Miscellaneous Employees Bargaining Unit through June 30, 2015.

DISCUSSION

The revised terms of the Memorandum of Understanding are as follows:

1. Term: There is agreement the successor MOU will be for one year July 1, 2014 – June 30, 2015.
2. Wages: 1% COLA effective upon ratification of MOU.
3. CalPERS Employee pickup - Section 8.1 – The employees contribution rate will change from 1.16% to 2.16% and the employer portion will be reduced to 4.84% from 5.84% to be implemented effective July 1, 2014.
4. Cafeteria Benefit Plan: According to Section 9.4 increases are as follows:

a) Employee plus two	From: \$775	To: \$1,000/month
b) Employee plus one	From: \$725	To: \$825/month
c) Employee	From: \$675	To: \$750/month
d) Employee opts out	From: \$525	To: \$625/month
5. Retroactivity: The compensation increase described in #2 and #5 shall be retroactive to July 1, 2014.

6. Christmas Holiday and New Year's Holiday: The District office on December 26 and January 2 will be closed for the term of this agreement. Those employees desiring to take advantage of this closure may use vacation or floating holiday for those days on their respective timesheets. Standby will be in effect for those two days.

Staff believes that the MOU is fair to both parties and provides a stable platform for labor relations with the positions covered in this bargaining unit. It is important to note the Office Closing Days, Cafeteria Plan and CalPERS change apply to all District Employees and as such will be included in amendments to the Personnel Rules and Regulations.

Attachment

RESOLUTION 2014-25

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
APPROVING THE MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN
LOCSD AND SLOCEA FOR THE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
THROUGH JUNE 30, 2015**

WHEREAS, the Los Osos Community Services District ("District") is a community services district organized under California Law pursuant Government Code to § 61100 et. seq.; and

WHEREAS, the Board desires to provide for prudent management of LOCSD's Financial and Labor Resources; and

WHEREAS, the Board negotiated in good faith to develop the attached MOU incorporated by reference hereto: and

WHEREAS, the Members of the Miscellaneous Employees Bargaining Unit approved the MOU.

NOW, therefore, the Board of Directors OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HEREBY determine as follows:

- 1. The Board approves the Memorandum of Understanding as negotiated for the period July 1, 2014 through June 30, 2015;**
- 2. Authorized the District Negotiators to execute the Memorandum of Understanding;**
- 3. Directs the General Manager to implement the provisions of the Memorandum of Understanding.**

Upon motion of Director _____, seconded by Director _____
and on the following roll call vote, to wit:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

The foregoing resolution is hereby passed and adopted this 13th day of November, 2014.

Craig V. Baltimore
President of the Board of Directors
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Kathy A. Kivley
General Manager and Secretary to the Board

Michael W. Seitz
District Legal Counsel

MEMORANDUM OF UNDERSTANDING

BETWEEN

LOS OSOS COMMUNITY SERVICES DISTRICT

AND

SAN LUIS OBISPO COUNTY EMPLOYEES' ASSOCIATION

FOR THE

MISCELLANEOUS EMPLOYEE BARGAINING UNIT

2014-2015

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**MEMORANDUM OF UNDERSTANDING
BETWEEN THE LOS OSOS COMMUNITY SERVICES DISTRICT AND
THE SAN LUIS OBISPO COUNTY EMPLOYEES' ASSOCIATION
MISCELLANEOUS EMPLOYEES UNIT
2014 - 2015**

1. DESIGNATION OF THE PARTIES

This Agreement is entered into as of July 1, 2014, by and between the Los Osos Community Services District (hereinafter referred to as "District"), located at 2122 9th Street, Los Osos, California 93402 and the San Luis Obispo County Employees' Association (hereinafter referred to as "Association") located at 1035 Walnut Street, San Luis Obispo, California 93401.

Pursuant to Section 3500 et seq. of the Government Code of the State of California, the duly authorized representatives of the District and the Association, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

2. TERM

The District and the Association agree that the term of this Agreement commences on July 1, 2014 and expires on June 30, 2015, with the option of a one-year (1) automatic extension at the election of either party.

3. RECOGNITION

Pursuant to District resolution 2002-09, adopted February 20, 2002, the District recognizes the Association as the exclusive representative of the employees in the Miscellaneous Employee Bargaining Unit and as the bargaining agent for the employees in said unit. Pursuant to District Resolution 2013-10, adopted June 6, 2013, the District established two career series to support the administrative and utilities department as members of this Miscellaneous Employee Bargaining Unit.

The term "employee" or "employees" as used herein shall refer to those persons in the Miscellaneous Employee Bargaining Unit occupying positions in the following listed classifications:

- Admin/Accounting Assistant I, II, and III
- Admin/Accounting Assistant Trainee
- Utility Compliance Technician I, II, and III
- Utility Compliance Technician Trainee
- Water Resource Crew Leader
- Water Resource Operator I, II, III and IV
- Water Resource Operator Trainee

4. RENEGOTIATION

In the event either party desires to negotiate a successor Agreement at the end of the term of this Agreement which expires on June 30, 2015, such party shall serve upon the other during the period April 1 to June 1 in the year the term expires, its written request to begin negotiations as well as its initial written proposals for a successor Agreement. In the event one of the parties indicates such a desire to negotiate, the other party must submit its initial proposals within fifteen (15) days after receipt of the written request to begin negotiations.

Negotiations shall begin the later of thirty (30) days after such receipt of the initiating party's written request to begin negotiations or June 1, in the year the term expires.

5. DISTRICT RIGHTS AND RESPONSIBILITIES

The District retains, solely and exclusively, all the rights, powers, and authority exercised or held prior to the execution of this Agreement, except as expressly limited by a specific provision of this Agreement. Without limiting the generality of the foregoing, the rights, powers and authority retained solely and exclusively by the District and not abridged herein include, but are not limited to, the following:

To manage and direct its business and personnel; to manage, control, and determine the mission of its departments, buildings, facilities, and operations; to create, change, combine or abolish jobs, departments and facilities in whole or in part; to subcontract or discontinue work for economic or operational reasons; to direct the work force; to increase or decrease the work force and determine the number of employees needed; to hire, transfer, promote and maintain the discipline and efficiency of its employees; to establish work standards, schedules of operation and reasonable work load; to specify or assign work requirements and overtime; to schedule working hours and shifts; to determine the type and scope of work to be performed and the services to be provided; to determine the methods, processes, means and places of providing services, and to take whatever action necessary to prepare for or operate in an emergency.

Nothing in this Article shall be construed to limit, amend, decrease, revoke or otherwise modify the rights vested in the District by any law regulating, authorizing or empowering the District to act or refrain from acting. However, the District agrees to consult with the Association in regard to any proposed subcontracting, which would result in the elimination of unit members' jobs.

6. WORK LOCATION

Except in cases of emergencies, employees will not be reassigned from their designated normal work location without prior notice. Management shall give the employee at least five (5) working days advance written notice if the reassignment is intended as a permanent change. If the reassignment is intended as temporary, management shall give the employee at least two (2) working days' notice. The designated normal work location is the place at which the employee spends the largest part of his or her regular working day or working time or the place to which he or she returns upon completion of special assignments. Said notice provision may only be waived by written agreement of the employee.

As used in this section:

"Emergencies" include unanticipated employee absences; and "Temporary reassignments" means reassignments that are for thirty (30) days or less, although a temporary assignment may include periods in excess of thirty (30) days when necessary to cover employee leaves of absences, temporary workload matters or special projects.

It is the District's policy to discourage changes in work location without two (2) day notice; however, reassignment on less than two (2) day notice or no notice may be necessary from time to time.

7. WAGES

7.1 The parties agree to a cost of living adjustment (COLA) of 1.0% which will revise the rates currently in effect as shown in Exhibit A effective as of the date of this agreement which is July 1, 2014.

8. CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) "PICK-UP"

8.1 Board's Resolution No. 2008-26 adopted on November 6, 2008 affirmed its contribution rate to pick up 5.84% of the employee's CalPERS designated as member contribution. The employee is then responsible for 1.16% of the member contribution rate of 7%. Effective July 1, 2014 and by Resolution No. 2014- ___ the contribution rate of pick up by the employee is increase to 2.16% and reduced for the employer to 4.84% of the total member contribution rate of 7%. This provision does not apply to employees who have never worked for an agency that contracted with CalPERS for retirement. These employees from hereon will be referred to as Tier 2 employees or Non-Legacy employees. The District cannot legally "pick-up" any portion of the Member's contribution as provided by the Public Employee Pension Reform Act (PEPRA) that became effective on January 1, 2013

8.2 Unit members shall have no option to receive the contributed amounts directly instead of having them paid by the District to CalPERS on behalf of the unit members.

The parties agree that the District's "pick-up" of employees' CalPERS contributions is based on the tax treatment permitted by California and Federal law including state statutes and regulations and federal statutes, regulations and revenue rulings. It is understood that these laws may be altered by the lawmaking bodies and agencies and such a contingency is beyond the control of the parties.

SLOCEA and the individual members of the bargaining unit shall defend, indemnify and save harmless the District, its officers, agents and employees from any and all claims, demands, damages, costs, expenses or liability including, but not limited to, liability for back taxes and all claims of any type by the Internal Revenue Service, the California Franchise Tax Board, unit members or their heirs, successors or assigns, arising out of this Agreement to partially pay the employees' contribution to CalPERS.

8.3 CalPERS Plan Change.

Effective July 1, 2003, the retirement plan for the Miscellaneous Employee Bargaining Unit shall be changed to the highest twelve months of salary instead of the highest thirty six months of salary. The increase in the cost for this change in the CalPERS Plan shall be borne by the District. For Tier 2 or Non-Legacy employees, as described in Section 8.1, are subject to the limits set by PEPR which uses the last three year final compensation.

8.4 CalPERS Plan

Effective June 6, 2005, the retirement plan for the Miscellaneous Employee Bargaining Unit was amended to use an attained age percentage formula, commonly referred to as "2% at 55 years of age."

For Tier 2 or Non-Legacy employees, the pension reform legislation (PEPRA) are under "2% at 62 years of age"

9. CAFETERIA BENEFIT PLAN

9.1 District has the right to change medical and/or dental providers offered by the District during the course of this agreement. The District agrees that it will not arbitrarily or unreasonably deny the Association the opportunity to offer to active and/or retired regular or associate members of the Association and Association sponsored health insurance plan under the District's Cafeteria 125 Plan effective with the plan year commencing January 1, 2008.

9.2 CalPERS Health Insurance

9.2.1 The District acknowledges that under its contract with CALPERS it will provide medical health plan under the CALPERS umbrella, it is liable for a mandated portion of the cost of the program which currently is \$119.00 per active or retired employees.

9.2.2 The District hereby declares that the liability referred to in 9.2.1 is included in the cafeteria amounts paid by the District to active employees for their medical and health plans as described in Section 9.4.

9.2.3 The District further declares that it will continue to pay the mandated amounts for retired employees who remain under the CALPERS medical program and as billed by CALPERS monthly. This amount is not otherwise payable to the retired employee for any medical coverage outside CALPERS.

9.2.4 The District has no other liability to pay for the medical/health plan of employees who opt not to participate in CALPERS health insurance program other than the cafeteria contributions as listed in Section 9.4. For employees who opt out of the CalPERS medical plan or any future District's medical/health plan, the employee has to provide proof of alternative health insurance coverage.

- 9.3 Parties agree that all employees shall be enrolled in one of the health care plans offered by the District or the Association, except as otherwise noted in Section 9.2.4 above. All employees are required to participate in vision and dental plans and may cover dependents as allowed by the plans and any pertinent legislation.
- 9.4 Recognizing the increasing costs of healthcare for families and to simplify payroll calculations, the District agrees to contribute the following monthly cafeteria benefit payments, effective July 1, 2014; it is to be noted that these amounts include any District's mandated portion of the program costs that are billed by CalPERS as described in Section 9.2.1:
- (a) Employee plus two (2) or more dependents shall receive one thousand dollars (\$1,000.00).
 - (b) Employee plus one (1) dependent shall receive eight hundred and twenty-five dollars (\$825.00).
 - (c) Employee only shall receive seven hundred and fifty dollars (\$750.00).
 - (d) Employee who opts out of CalPERS medical shall receive six hundred and twenty-five dollars (\$625.00).

10. OVERTIME

- 10.1 Non-exempt Employees shall be paid for overtime or earn compensatory time off at the rate of one and one-half (1½%) times the non-exempt employee's regular rate of pay.
- 10.2 Overtime shall be defined as and provided for in section 3000.5 of the District's Personnel Policy effective July 1, 2001, except as provided herein. Any change in the overtime policy as set forth in the District's Personnel Policy, applicable to this bargaining unit, shall be subject to meet and confer.
- 10.3 It is the District's policy to discourage overtime whenever possible.
- 10.4 Compensatory Time
- (a) Each non-exempt employee may carry a maximum balance of eighty (80) hours of compensatory time (i.e. 53.33 hours of work at the overtime rate of time and one-half equals 80 hours of compensatory time) in any period. Overtime in excess of the allowable maximum of compensatory time shall be paid in cash if the budget allows.
 - (b) Compensatory time off shall be taken on dates mutually agreed upon by the employee and the supervisor with due consideration given to the needs of the District and current workloads.

11. LEAVES OF ABSENCE

- 11.1 Voluntary Leaves of Absence without Pay that are not eligible for Family Medical Leave or any other medical leave:

- 11.1.1 With the approval of the General Manager or his/her designee, an employee may request a leave of absence without pay for a period of up to thirty (30) days. Any voluntary leaves without pay greater than thirty (30) days must be recommended by the General Manager and pre-approved by the Board of Directors. In no event, shall voluntary leaves be granted in excess of six (6) months.
- 11.1.2 Voluntary leaves of absence without pay, if authorized, may be taken in conjunction with, and at the conclusion of, an authorized use of vacation time or sick leave.
- 11.1.3 A leave of absence without pay will be without any accrual of pay, time in service, vacation and sick leave.
- 11.1.4 Due to the District's limited work force, maintenance of job classifications for the term of a voluntary authorized leave of absence without pay cannot be guaranteed beyond the date of the end of the leave period.
- 11.1.5 Family Medical Leave: The FMLA Policy adopted by the District on December 4, 2003, is hereby incorporated herein by reference.
- 11.2 Pregnancy Leave: The Pregnancy Related Leaves and Transfer Privileges Policy adopted by the District on December 4, 2003, are hereby incorporated herein by reference.

12. VACATIONS

- 12.1 This policy shall apply to regular and introductory employees in all classifications.
- 12.2 Paid vacations shall be accrued according to the following schedule on an annual basis:
 - (a) From the date of employment to the fourth (4th) anniversary date of hire, at the rate of five-sixths (5/6th) of a working day per month paid employment (10 days/year);
 - (b) After the ninth (9th) anniversary date of hire, vacation time shall be accrued at the rate of one and two-thirds (1 2/3rd) working days per month of paid employment (20 days/year);
 - (c) From the fourth (4th) anniversary date of hire to the ninth (9th) anniversary date of hire, at the rate of one and one-fourth (1 1/4th) working days per month of paid employment (15 days/year).
- 12.3 Employees of this bargaining unit shall cease to accrue vacation time after the employee has reached the following number of hours as follows:
 - (a) From the date of employment to the fourth (4th) anniversary date of employment, the accrual amount shall be three hundred and twenty (320) hours;

- (b) From the fourth (4th) anniversary of the date of employment through the ninth anniversary date of employment, accrual amount shall be four hundred (400) hours;
 - (c) After the ninth (9th) anniversary date of employment, the accrual amount shall be four hundred and eighty (480) hours.
- 12.4 At termination of employment for any reason, the District shall compensate the employee for his/her accumulated vacation time at his/her straight time rate of pay at the time of termination.
 - 12.5 The District will not require an employee to take vacation in lieu of sick leave or leave of absence without pay during periods of illness. However, the employee may elect to take vacation time in case of extended illness where sick leave has exhausted.
 - 12.6 If a holiday falls on a workday during a vacation period, that day shall be considered as a paid holiday and not vacation time.
 - 12.7 Introductory employees shall not accrue vacation time during the first six (6) months of the introductory period. However, after completion of the first six months of the introductory period, the employee is eligible for vacation leave. The employee will accrue forty (40) hours of vacation time upon completion of the first six (6) months of the introductory period.
 - 12.8 Pay in lieu of vacation time away from work shall not be permitted.

13. SICK LEAVE / BEREAVEMENT LEAVE

- 13.1 Sick leave is defined as absence from work due to personal or family related illness (See Section 13.3), non-industrial injury, or quarantine due to exposure to a contagious disease. In addition, dentist and doctor appointments and prescribed sickness prevention measures shall be subject to sick leave provided prior notice is provided to the employee's immediate supervisor.
- 13.2 Sick leave shall be accrued at the rate of one (1) working day per month cumulative to a maximum of one hundred eighty (180) working days.
- 13.3 Sick leave may be used for the needs of the employee and his or her spouse, parents, grandparents, child, step child, brother or sister, grandchild or corresponding relatives by marriage or any other person who is or was a legal dependent of employee.
- 13.4 No paid sick leave in excess of five (5) days shall be granted because of the illness or death of a relative for any one occurrence of illness or death of such relative.
- 13.5 Employees who have more than eight (8) years of service with the District as a Regular Employee shall be entitled to exchange two (2) days or sixteen (16) hours of sick leave for one (1) day or eight (8) hours of vacation time. The maximum amount of time that can be exchanged during a calendar year shall be ten (10) days or eighty (80) sick leave hours for five (5) days or forty (40) vacation hours. For purposes of this exchange employees must maintain a minimum balance of forty-five (45) days or three hundred sixty (360) hours of sick

leave and shall only be permitted to exchange those sick leave days or hours over the required forty-five (45) day or three hundred and sixty (360) hours sick leave balance.

13.6 The Bereavement Leave provision, Section 4030, as set forth in the Personnel Policy, is hereby incorporated herein by reference.

14. NOT USED

15. HOLIDAYS

15.1 This policy shall apply to all regular and introductory employees

15.2 The following days shall be recognized and observed as paid holidays:

- New Year's Day
- Martin Luther King Jr.'s Birthday
- The third Monday in February (Washington's Birthday)
- Memorial Day
- Independence Day
- Labor Day
- Veteran's Day
- Thanksgiving Day
 - The Friday in November immediately following day designated as Thanksgiving Day
- Christmas Eve
- Christmas Day

15.3 Employees will accrue two (2) personal leave days per fiscal year, provided it does not result in an accrual of more than one personal leave day at any time. An unused personal leave day shall be cashed out upon separation from employment.

15.4 All regular work shall be suspended and employees shall receive one (1) day or eight (8) hours pay for each of the holidays listed above. An employee on a leave without pay will not receive holiday pay.

15.5 Whenever a holiday falls on Saturday, the preceding Friday shall be observed as the holiday. Whenever a holiday falls on Sunday, the following Monday shall be observed as the holiday.

15.6 When an employee is taking authorized leave with pay when a holiday occurs, they will receive holiday pay.

15.7 If an employee works on any of the holidays listed above, he/she shall be paid for all hours worked at the rate of time and one-half (1½%) his or her regular rate of pay in addition to his or her holiday pay.

15.8 For the term of this MOU the District agrees to close the District office on December 26, 2014 and January 2, 2015. Those employees desiring to take the day off may use vacation or floating holiday accruals. Stand by will be in effect for those two days.

16. ESTABLISHMENT OF WORK-SHIFT AND WORKWEEK

- 16.1. The normal workday for each employee shall be eight (8) hours per day.
- 16.2. The normal workweek for each employee shall be forty (40) hours per week.
- 16.3. Employees shall be scheduled to work regular workdays having regular starting and quitting times.
- 16.4. Except for emergencies, and unanticipated employee absences, employee's work schedules shall not be changed without two (2) working days prior written notice.
- 16.5. It is the policy of the District to discourage changes in employee work schedules with less than two (2) working day notice,
- 16.6. Nothing herein shall be construed as a guarantee of a minimum number of hours of work per day or per week.
- 16.7. Nothing herein shall be construed to modify whatsoever a workday or workweek as defined by the District.

17. COMPENSATION PAYMENT PROCEDURE

- 17.1. The salaries herein provided shall be payable biweekly.
- 17.2. In the event of termination of service, the salary due shall be payable as required by law.
- 17.3. For the purpose of computing regular wages, authorized sick leave, vacation time, holiday hours and compensatory time hours shall be considered as hours worked. However, only hours actually worked shall be considered for the purpose of computing overtime.
- 17.4. The District agrees to meet and confer before implementing any changes mandated upon District by applicable provisions of the Fair Labor Standards Act.
- 17.5. The District agrees to meet and confer regarding the pay cycle if the District modifies any shift cycle.

18. CALL BACK

Non-exempt Employees: Those employees who are called back after a work shift ends, and actually report for duty, shall be paid overtime or earn compensatory time off for all hours worked in a call back at the rate of time and one-half (1 and ½) the employee's regular rate of pay with a guarantee of two (2) hours for each occurrence, subject to the maximum allowable accrued compensatory time for overtime worked as established by the compensatory time program described in Article 10, Section 10.4. This Article does not apply to the extension of a work-shift. There will be no overlapping minimums.

19. STANDBY DUTY

- 19.1. Standby duty is defined as that circumstance which requires the employee so assigned to:

- 19.1.1. Be ready to respond in a reasonable time to calls for his/her service;
 - 19.1.2. Be readily available at all hours by telephone, or other communication devices; and
 - 19.1.3. Refrain from activities, which might impair his/her assigned duties upon call.
- 19.2. Standby duty shall be assigned in writing and shall be compensated by the District as follows:
- 19.2.1 Effective July 1, 2009, at the rate of two dollars and seventy- five cents (\$2.75) per hour.
- 19.3 Employees shall not receive standby pay for hours actually worked or for any hours reimbursed by a callback minimum.

20. TRAINING PROGRAMS

20.1. Mandatory Training:

20.1.1 An employee who is scheduled to work on a day coinciding with a mandatory training program will receive his regular rate of pay, and will work the balance of the workday as scheduled.

20.1.2. An employee who is not scheduled to work on a day coinciding with a mandatory training program will receive time and one-half (1 and ½) pay.

20.2. Tuition Reimbursement and Non-Mandatory Training

20.2.1 The parties agree that the District will reimburse employees for expenses, including tuition or registration and seminar fees, incurred taking job related classes, seminars, and other training/educational events pre-approved by the District.

21. UNIFORMS

21.1. It is mandatory that all regular field personnel wear the designated District provided uniform, if any. The District shall determine the uniform to be worn and upkeep standards after consultation with the Association.

21.2. The cost of such uniforms shall be borne by the District.

21.3. For employees in the Water Resource Crew Leader, Water Resource Operator I, II, III, IV and Trainee classifications, the District will issue the following or provide employees with reimbursement for:

- a. Boots, steel toed safety boots (1 pair); maximum reimbursement by the District of \$175 per pair,
- b. Shirts (6); employee choice: short sleeve, long sleeve or combination of short and long sleeve;
- c. Trousers (3);
- d. Safety Coveralls, cotton (7);
- e. Jacket (chill chaser)(1);

- 21.4. Employees are responsible for any loss or damage of uniforms caused by negligence, misuse and/or non-District related work.
- 21.5. Uniform items will be replaced on an as needed basis. The cost of replacing uniform items shall be borne by the District.
- 21.6. Employees are responsible for laundering and maintaining District provided uniforms, except for the cotton safety coveralls which shall be laundered by the District
- 21.7. Off-duty wearing of District provided uniforms must be pre-approved by the Utilities Director, or his or her designee.
- 21.8. Upon termination or separation from the District, all uniforms must be returned to the District.
- 21.9. The District will supply specialized safety coveralls, as needed, for sewer service functions and for electrical work.

22. SUBSTITUTE EMPLOYEE

- 22.1. A substitute employee is defined in and shall have those rights provided in the District's Personnel Policy under Section 2000 DEFINITIONS, Subsection 9, incorporated herein by reference.
- 22.2. A substitute employee shall be paid according to the salary schedule of the position that the employee is filling as a substitute. If the substitute employee is also an introductory employee, then the employee shall be paid at Step One of the salary range. If the substitute employee is not an introductory employee, then the employee shall be paid at the lowest step of the salary range that avoids a reduction in pay for the employee.

23. TRAVEL AND EXPENSE REIMBURSEMENTS

The District's Travel and Reimbursement Policy is hereby adopted as part of this Agreement by reference.

24. WITNESS PAY/ JURY DUTY PAY

- 24.1 Jury Duty: An employee who is summoned to jury duty shall be granted leave with full pay and benefits until excused by the court. Any pay for jury duty, exclusive of mileage allowance, shall be deposited by the employee with the District. If an employee is released from jury duty with two (2) or more hours remaining in the employee's regular workday, the employee must return to work.
- 24.2 Employee as a Party in an Official Capacity: An employee who is a party to a lawsuit in his or her official capacity as a District employee shall be paid as though on duty for all time spent in connection with the lawsuit.
- 24.3 Employee as a Witness: An employee who is either directed by his or her supervisor, or subpoenaed, to appear as a witness in court, in an administrative proceeding, or in an arbitration, in connection with events arising from the performance by the employee of his or her official District duties shall be paid

as though on duty for all time spent in connection with such appearance. An employee shall, if subpoenaed by a third party, immediately notify his or her supervisor so that the District may, if authorized to so by law, demand of and deposit from the subpoenaing party fees and costs associated with the appearance of the employee.

24.4 Non District Related Court Appearances: An employee who is party to or a witness in any court, administrative proceeding or arbitration in connection with matters not related to the performance of his or her official District duties, is authorized to take vacation leave, compensatory time, or unpaid leave, for the purpose of any time spent in connection therewith.

25. DEFERRED COMPENSATION

Employees will be eligible to join the District's Internal Revenue Code Section 457 deferred compensation plan. Employees will be bound by the same Plan, rules and participation agreements as are generally applicable to other District employees. Association acknowledges that District in its discretion, retains the right to alter, amend, or repeal the current plan, rules and participation agreements, at any time. Employees who join the plan shall not pay an administration fee. The administration fee is defined as a fee which is assessed upon each member as a condition for participation in the Plan. The administration fee shall not mean any fee related to or incurred by reason of an individual participant's action with respect to his or her account in accordance with the plan rules or participation agreement. Specifically, administration fee shall not include any load charges, transfer charges, distribution charges, surrender charges, or other transaction or investment charges.

26. TIME-IN-SERVICE

For purposes of benefit accrual, time in service shall continue to accrue during all work time, all paid leave time, and all paid special disability leave as provided by law.

27. MISCELLANEOUS

27.1 Class "B" Driver's License: If possession of a California Class "B" Driver's license is a condition of employment, the District will reimburse unit members for the cost of the license and for any medical examination required for the issuance of the license; provided that the need for, and the cost of, the medical examination is approved by the District.

27.2 Citizen Complaints: Citizen Complaints will continue to be handled in accordance with current policy and practice.

28. DEDUCTION OF DUES

The District agrees to continue automatic payroll deduction of Association dues and additionally agrees to continue automatic deduction for Association premiums, which are not duplicative of or competitive with the District insurance plans for which the members of said units are eligible. Such deductions shall become effective with the start of the first payroll period after receipt of the appropriate written and voluntary employee authorization form as developed mutually by the parties and signed by the employee. District further agrees to issue a monthly check, payable to the Association, for the total amount of the individual deductions.

Association shall indemnify and save harmless the District, its officers, agents, and employees from any and all claims, demands damages, costs, expenses, or liability arising out of this Article.

29. MEDIATION OF GRIEVANCES AND APPEALS OF DISCIPLINES

29.1 Grievances shall be made and conducted in accordance with the District's Personnel Policy.

29.2 Selection of Hearing Officer for Major Discipline. It is the District's intention to amend its Personnel Policy to modify the manner in which a hearing officer for major discipline is selected. Notice of this intent will be given to the Association for comment and input, as well as all other employee associations and unrepresented employees. At this time, it is the District's intent to amend its policy so that the hearing officer will be an Administrative Law Judge appointed by the Office of Administrative Hearings, State of California. Prior to the amendment of the Policy, should the occasion arise for the selection of a hearing officer for an employee who will be represented by the Association during the major discipline, the District will consult with the employee's representative prior to selecting a hearing officer for the major discipline.

30. FULL UNDERSTANDING, MODIFICATION, WAIVER

This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein.

Unless specifically stated in this Agreement, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein for the term of this agreement.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, by the District Board of Directors and ratified by the membership of the Association.

The waiver of any breach of any term, or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

31. IMPLEMENTATION AND EFFECT

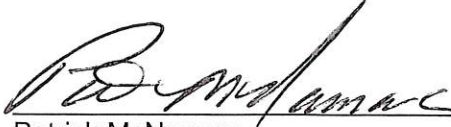
This Memorandum of Understanding constitutes a mutual recommendation to be submitted to the District Board of Directors. It is agreed that this Memorandum of Understanding shall not be binding upon the parties either in whole or in part unless and until said Memorandum of Understanding is ratified by the Miscellaneous Employees Bargaining Unit and approved by the District's Board of Directors.

32. PROVISIONS OF LAW

If any provision of this Agreement is held to be contrary to law by a court of competent jurisdiction, such provisions will not be deemed valid and existing except to the extent permitted by law and said provisions as may be declared invalid shall be deemed servable from all other sections hereof; but all other provisions will continue in full force

and effect.

33. SIGNATURES

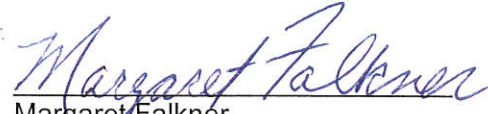


Patrick McNamara
San Luis Obispo County Employee
Association

Kathy A. Kivley, General Manager
Los Osos Community Services District



Theresa Schultz
San Luis Obispo County Employee
Association



Margaret Falkner
Employee Representative

Michael Seitz, Shipsey & Seitz, LLC
Los Osos Community Services District



Robert Diemel
Employee Representative

LOCSD Miscellaneous Employee Bargaining Unit

EXHIBIT A

Steps Classifications effective July 1, 2014

POSITION	Step 1	Step 2	Step 3	Step 4	Step 5
Admin / Accounting Assistant Trainee	11.85 948.00 24648.00	12.45 996.00 25896.00	13.10 1048.00 27248.00	13.80 1104.00 28704.00	14.55 1164.00 30264.00
Admin / Accounting Assistant I	15.45 1236.00 32136.00	16.25 1300.00 33800.00	17.05 1364.00 35464.00	17.95 1436.00 37336.00	18.80 1504.00 39104.00
Admin / Accounting Assistant II	19.80 1584.00 41184.00	20.80 1664.00 43264.00	21.85 1748.00 45448.00	22.95 1836.00 47736.00	24.05 1924.00 50024.00
Admin / Accounting Assistant III	25.30 2024.00 52624.00	26.55 2124.00 55224.00	27.85 2228.00 57928.00	29.25 2340.00 60840.00	30.75 2460.00 63960.00
Utility Compliance Technician Trainee	14.95 1196.00 31096.00	15.70 1256.00 32656.00	16.50 1320.00 34320.00	17.30 1384.00 35984.00	18.15 1452.00 37752.00
Utility Compliance Technician I	19.00 1520.00 39520.00	19.95 1596.00 41496.00	20.95 1676.00 43576.00	22.00 1760.00 45760.00	23.10 1848.00 48048.00
Utility Compliance Technician II	23.70 1896.00 49296.00	24.85 1988.00 51688.00	26.10 2088.00 54288.00	27.40 2192.00 56992.00	28.80 2304.00 59904.00
Utility Compliance Technician III	29.50 2360.00 61360.00	31.00 2480.00 64480.00	32.55 2604.00 67704.00	34.15 2732.00 71032.00	35.85 2868.00 74568.00
Water Resource Operator Trainee	14.50 1160.00 30160.00	15.25 1220.00 31720.00	16.00 1280.00 33280.00	16.80 1344.00 34944.00	17.65 1412.00 36712.00
Water Resource Operator I	16.80 1344.00 34944.00	17.65 1412.00 36712.00	18.60 1488.00 38688.00	19.55 1564.00 40664.00	20.50 1640.00 42640.00
Water Resource Operator II	18.75 1500.00 39000.00	19.70 1576.00 40976.00	20.65 1652.00 42952.00	21.70 1736.00 45136.00	22.80 1824.00 47424.00
Water Resource Operator III	21.70 1736.00 45136.00	22.80 1824.00 47424.00	23.90 1912.00 49712.00	25.10 2008.00 52208.00	26.40 2112.00 54912.00
Water Resource Operator IV	23.90 1912.00 49712.00	25.10 2008.00 52208.00	26.40 2112.00 54912.00	27.70 2216.00 57616.00	29.10 2328.00 60528.00
Water Resource Crew Leader	26.95 2156.00 56056.00	28.30 2264.00 58864.00	29.70 2376.00 61776.00	31.20 2496.00 64896.00	32.75 2620.00 68120.00