



May 7, 2026

**TO:** LOCSO Board of Directors

**FROM:** Ron Munds, General Manager  
Laura Durban, Administrative Services Manager

**SUBJECT: Agenda Item 11H – 05/07/2026 Board Meeting**  
Approve the Side-Letter to the Memorandum of Understanding between the Los Osos Community Services District and San Luis Obispo County Employees' Association for the "Economic Issues" for Miscellaneous Employees Bargaining Unit through June 30, 2027

**President**  
Matthew D. Fourcroy

**Vice President**  
Charles L. Cesena

**Directors**  
Tom Cross  
Richard Hubbard  
Christine M. Womack

**General Manager**  
Ron Munds

**District Accountant**  
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### DESCRIPTION

Approval of the Side-Letter to the Memorandum of Understanding (MOU) between the Los Osos Community Services District (District) and the San Luis Obispo County Employees' Association (SLOCEA) for "economic issues" for the Miscellaneous Employees Bargaining Unit through June 30, 2027.

### 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 approve the Side-Letter to the MOU between the District and SLOCEA for the Miscellaneous Employees Bargaining Unit through June 30, 2027 and authorize the General Manager to sign and implement the Side-Letter to the MOU.***

### DISCUSSION

The current MOU with SLOCEA is set to expire on June 30, 2026. Staff has been in negotiations with SLOCEA to reach an agreement on issues that have direct budget impacts (economic issues), i.e. wages, health insurance, etc., in order to complete the Fiscal Year (FY) 2026-27 budget by June 4, 2026, the tentative date for the budget adoption. Based on the general direction provided by the Board on April 2, 2026, staff and SLOCEA have agreed to the changes presented in the Side Letter Agreement to the MOU attached to this report.

The highlights of the agreement are as follows:

- MOU Article 12 Cost of Living Adjustment:
  - a) 3.2% COLA effective the pay period that includes July 1, 2026
- MOU Article 15 Cafeteria Benefit Plan, is hereby amended to read:
  - 15.4.c) Employees who opt out of Cal PERS Medical shall receive seven hundred twenty-five dollars (\$750) (increase from \$725).

- MOU Article 25.3 Uniforms Boot Allowance  
 25.3.a) Boot Allowance: Effective the pay period that includes July 1, 2026, the boot allowance will increase to \$325 from \$250 This allowance will be provided to each employee annually towards the purchase of steel toed or composite safety boots

**Financial Impact**

The following is the fiscal impact of the recommended action by fund.

| <b>Summary of Financial Impact for the New SLOCEA MOU</b> |                       |
|---|-----------------------|
| <b>Fund</b>   | <b>Estimated Cost</b> |
| 100   | \$2,875               |
| 500   | \$22,750              |
| 800   | \$375                 |

**Attachment**

Side Letter Agreement to the MOU between District and SLOCEA

## **2026 Side Letter Agreement**

**By and between**

**Los Osos Community Services District**

**And**

**San Luis Obispo County Employees Association, Miscellaneous Unit**

The Los Osos Community Services District (District) and SLOCEA (Association) agree to extend the terms and conditions of the Memorandum of Understanding, July 1, 2024, to June 30, 2026 (MOU) that is set to expire on June 30, 2026, as described below:

### **Term**

The current MOU between the District and the Association (July 1, 2024 to June 30, 2026) shall be extended one (1) year through June 30, 2027.

MOU Article 2 – Term, is hereby amended to read:

- 2.1. The District and the Association agree that the term of this Agreement commences on July 1, 2026, and expires on June 30, 2027.

### **Cost Of Living Adjustment Wages**

MOU Article 12 – Cost of Living Adjustment, is hereby amended to read:

- 12.1. The parties agree to the following Cost of Living Adjustments (COLA) which will revise the rates currently in effect as shown in the District salary schedule (Attachment "A"):

- a) 3.2% COLA effective the pay period that includes July 1, 2026

### **Cafeteria Benefit Plan**

Article 15 – Cafeteria Benefit Plan, is hereby amended to read:

- 15.4 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, 2026; 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 only shall receive an amount equal to the full cost of the lowest medical plan, dental, and vision coverage.
- b) Employee plus one (1) dependent and Employee plus two (2) shall receive the equal amount as an Employee only, plus 50% of the dependent cost for medical, dental, and vision coverage on the lowest cost medical plan.
- c) Employee who opts out of CalPERS medical shall receive seven hundred and fifty dollars (\$750.00).

**Uniforms**

MOU Article 25.3 shall hereby be amended to read:

25.3 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) Boot Allowance: Effective the pay period that includes July 1, 2026, the boot allowance will increase to \$325 from \$250 This allowance will be provided to each employee annually towards the purchase of steel toed or composite safety boots;
- b) Shirts (6); employee choice: short sleeve, long sleeve or combination of short and long sleeve
- c) Trousers (3);
- d) Safety Coveralls, cotton (2)
- e) Outerwear jacket, sweatshirt, ¼ Zip (2);
- f) Office staff shall receive three (3) District logo shirts annually, and one (1) light jacket, the design for which shall be determined by the General Manager.

For the District:

\_\_\_\_\_  
Ron Munds, LOCSD General Manager

\_\_\_\_\_  
Date

For the Association:

  
\_\_\_\_\_  
Emily Landis, Executive Director SLOCEA

\_\_\_\_\_  
April 23, 2026  
Date