

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**MOULTON NIGUEL WATER DISTRICT**  
**AND**  
**MOULTON NIGUEL WATER DISTRICT**  
**EMPLOYEE ASSOCIATION**  
**(SUPERVISORY UNIT)**  
**2010 – 2013**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**MOULTON NIGUEL WATER DISTRICT**

**AND**

**MOULTON NIGUEL WATER DISTRICT EMPLOYEE ASSOCIATION**

**(SUPERVISORY UNIT)**

**2010-2013**

Pursuant to the Moulton Niguel Water District Employer-Employee Relations Resolution and in accordance with negotiations between the representatives of Moulton Niguel Water District Employee Association, concerning salaries, wages, hours, and other terms and conditions of employment falling under the purview of the Meyers-Miliias-Brown Act, agreement has been reached on salaries and related benefits for bargaining unit employees of Moulton Niguel Water District. Subjects of agreement, following below, reached between Moulton Niguel Water District, hereinafter sometimes referred to as the "District," and the Moulton Niguel Water District Employee Association, hereinafter sometimes referred to as the "Association," shall become effective July 1, 2010, unless otherwise noted, and remain in full force and effect until June 30, 2013. All references to "day" or "days" contained in this Memorandum of Understanding ("MOU") are to calendar days, unless expressly noted otherwise.

**ARTICLE I**

**Recognition**

1.1 In accordance with the terms of the Employer-Employee Relations Resolution, the District hereby acknowledges its recognition of Moulton Niguel Water District Employee Association (Supervisory Unit) as the only bargaining representative for all eligible employees presently, or hereafter, employed by the District in the bargaining unit set forth in Appendix A, and specifically excluding confidential and management positions (including, but not limited to, the General Manager, Board Secretary/Executive Assistant, Human Resources Manager, Executive Assistant, Administrative Assistant in the Human Resources Department, Director of Customer Service, Director of Engineering, Assistant Director of Engineering, Engineering Superintendent, Controller, Director of Finance/Treasurer, Director of Operations, Facilities Operations Superintendent, Utilities Maintenance Superintendent, Management Information Systems Supervisor, and Safety & Regulatory Compliance Supervisor).

1.2 Association Dues/Service. When a dues deduction form is completed, properly authorizing the deduction of Association dues or the service fee, the District shall begin the applicable deduction of Association dues or the service fee no later than the beginning of the first pay period commencing after receipt of the authorization form by the District Office. If the form

is not completed properly, the District shall begin the deduction of the service fee no later than the beginning of the first pay period following receipt of a properly completed form.

No dues, fee, or contribution deduction shall be made during any pay period when an employee's earnings are insufficient, after all other deductions are made, to cover the full amount of the dues, fee or contribution. When an employee is in a non-pay status for an entire pay period, no deduction will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of a pay period, whose earnings, after deductions, are not sufficient to cover the full amount of the dues, fee or contribution, no deduction shall be made in the pay period or from future earnings to cover the pay period.

The Association shall advise the District, in writing, of the dues and service fee amounts to be deducted. Any change in the amounts will be submitted to the District, in writing, at least fourteen (14) days prior to the effective date of such change.

All deducted dues and service fees shall be remitted to the Association Treasurer no later than fourteen (14) calendar days after deduction. The District shall also provide an itemized statement detailing each employee's name, address, amount of deduction and category of deduction.

1.3 Indemnification. The Association shall indemnify, defend and hold the District harmless against any liability arising from any claims, demands or other action relating to the District's compliance with the agency fee obligation.

1.4 New Employees. The District will notify the Association of all new hires within the bargaining unit within one (1) week after their having been employed, furnishing the Association with the new employee's name, mailing address, position for which he/she was hired and the department/section where the employee will be working. In addition, the District will provide the employee a copy of this Memorandum of Understanding.

## ARTICLE II

### Management Rights

2.1 The rights of the District include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions, and boards' set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which governmental operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. Nothing in this section shall be construed to limit, amend, decrease, revoke, or otherwise modify the rights vested in the District by the California Water District Law, as amended, or other laws regulating, authorizing, or empowering the District to act or refrain from acting.

2.2 The District is conceded to have the right to make technological improvements, to assign work not expressly covered by job descriptions, to determine normal working hours, and to schedule shifts, accordingly.

### ARTICLE III

#### Employment Status

3.1 As used in this Memorandum of Understanding, the term "full-time employee" means an employee who is regularly scheduled to work forty (40) hours or more per seven (7) day work period.

3.2 As used in this Memorandum of Understanding, the term "regular part-time employee" means an employee who is regularly scheduled to work less than forty (40) hours and more than thirty (30) during a seven (7) day work period.

3.3 As used in this Memorandum of Understanding, the term "temporary employee" means an employee who is hired for a period of one (1) year or less. The District may extend the term of employment of a temporary employee beyond one (1) year for good cause. Temporary employees shall receive no benefits of any kind.

3.4 A new employee shall be considered to be a probationary employee for the first one (1) year from the date of the probationary employee's last hire. (The probationary period may be extended up to six months by the General Manager.) A probationary employee shall have no seniority rights and shall be subject to discharge at the District's sole discretion, but shall acquire seniority from the date of the probationary employee's last hire, upon completion of the employee's probationary period or any extension thereof.

3.5 Former employees who have left the District in "good standing" may be rehired within the discretion of the General Manager.

### ARTICLE IV

#### Wages

4.1 Wage Increases. The District shall increase employee salaries and award merit incentive pay as set forth in the table below:

Increase to Salary Schedule	Off-Schedule Merit Incentive Pay Pool**
2 percent effective July 1, 2010	1.5 percent
Up to 3.5 percent effective July 1, 2011*	.5 percent
1.5 percent effective July 1, 2012	1.0 percent

\*The 3.5 percent pool in year two will be set aside for classification adjustments based on a salary study to be concluded by January 1, 2011. The Association and the District will split the cost 50/50 for a mutually-agreeable consultant to conduct the study. The parties will agree upon

the agencies to be used in the classification study. As of March 1, 2011, the Association and the District agree to reopen the contract for the sole purpose of determining how the 3.5 percent in year two will be allocated to classifications below market. The agreed-upon classification adjustments will take effect on July 1, 2011. If an individual's classification range is adjusted in year two, the employee will remain at the same percentage within the adjusted range and any increase will be base building.

**\*\*Off-schedule merit incentive pay is paid in a lump sum to employees on their District anniversary date based on the decision of the General Manager following the employee's performance evaluation as set forth in Section 4.3. It is understood that it is the General Manager's discretion to determine the amount of such pay, but the total for the Bargaining Unit cannot exceed the amount in the pool. (For example, in year one, there will be \$72,391 in the pool (\$4,826,048 total Bargaining Unit salaries X 1.5 percent).)**

4.2 Wage Rates. The wage rates, which include the increase set forth in 4.1, for each classification covered by this Memorandum of Understanding are set forth in Appendix "B" and attached hereto.

4.3 Performance Evaluation. Employees shall receive at least one (1) performance evaluation per year. Said performance evaluation shall be prepared and discussed with the employee, and a merit pay increase granted in connection with said performance evaluation, if any, shall become effective on the Employee's anniversary date. This section shall not preclude the District from evaluating employees or granting merit pay increases at times other than those set forth in this section.

## ARTICLE V

### Insurance

5.1 The District agrees to pay 100% of the premium cost for the employee and the employee's eligible dependents enrolled in the District's HMO medical, dental and vision insurance plans. The employee shall pay \$20 per month for Employee plus one and \$40 per month for family POS medical coverage through salary reduction in the District's I.R.C. Section 125 Plan. In addition, effective July 1, 2010, the District and the employees enrolled in the POS Plan will share all future cost increases for the POS premiums on a 50/50 basis. (For example, for an employee taking POS insurance at the single tier, the rate effective July 1, 2009 was \$515.43 per month and will be increasing to \$566.99 per month effective July 1, 2010, an increase of \$51.56 per month. The employee will pay one-half of that increase (\$25.78 per month), through payroll deduction. The District shall pay the remainder of the premium.) A similar calculation will be performed for any increases in future years. The dental insurance maximum benefit is \$1,500 per year.

5.2 An employee may elect, in writing, not to participate in the District's medical and dental insurance plan, provided the employee submits written proof of comparable coverage elsewhere. Employees electing not to participate in the District's medical, dental and vision insurance plans pursuant to this section shall be entitled to a monthly payment equal to \$300.

## ARTICLE VI

### Release Time

Access to District work locations and the use of District paid time, facilities, equipment and other resources by employee organizations and those representing them shall be authorized only to the extent provided for in this Memorandum of Understanding and/or administrative procedures, shall be limited to lawful activities consistent with the provisions of the District's Employer-Employee Relations Resolution that pertain directly to the employer-employee relationship and not such internal employee organization business as soliciting membership, campaigning for office, and organization meetings and elections, and shall not interfere with the efficiency, safety and security of District operations.

6.1 Request for use of District facilities shall be submitted in writing to the General Manager or designee at least seven (7) days prior to the proposed date. The request shall certify compliance with the above-referenced paragraph. The Association shall be responsible for returning the District facility to its original condition. Use of District facilities shall be limited to the lunch hour of the Employee and the hours of 4:00 p.m. to 8:00 p.m.

6.2 Paid release time for all bargaining unit employees of one (1) hour shall be granted for purposes of an MOU ratification meeting.

6.3 Association Board Members will be given one (1) hour per quarter of paid release time to attend Association Board meetings.

6.4 The Association shall be granted use of a District bulletin board and payroll deduction of dues and fees consistent with the District's Employer-Employee Relations Resolution.

6.5 Association Board members shall be allowed minimal use of phone, FAX, copying and e-mail during non-working time for the conduct of Association business consistent with the limitations set forth in District's Employer-Employee Relations Resolution. Any copying beyond minimal amounts shall be paid for by the Association.

6.6 The District shall provide release time for Association stewards for the investigation, preparation, and presentation of employee grievances. Release time shall be defined as a reasonable amount of time to be stipulated at the discretion of the General Manager or designee, but not to be limited to a point where no release time is granted. The Association will annually designate the Stewards in writing to the General Manager.

## ARTICLE VII

### Maintenance of Benefits

7.1 It is agreed that all wages, benefits, and conditions of employment set forth in this Memorandum of Understanding shall remain unaffected and in full force for the life of said Memorandum, unless mutually changed, in writing, by the parties after meeting and conferring.

## ARTICLE VIII

### Retirement Benefits

8.1 Two Percent at 55 Defined Benefit Plan. The District has contracted with the Public Employees Retirement System ("PERS") for a 2 percent at 55 Defined Benefit Plan. The District's contribution toward PERS will be capped at 17 percent, including both the "employer's and employee's share." If the combined employee's and employer's share exceeds 17 percent, the employee shall pay the excess through payroll deductions. In addition, under no circumstances will the employee be asked to contribute an amount in excess of that set forth in applicable law (currently 7 percent). Employees hired after July 28, 2009, will pay 100 percent of the employee's share of CalPERS contributions.

## ARTICLE IX

### No Strikes

9.1 No Strikes. Apart from and in addition to existing legal restrictions upon and remedies for work stoppages, the Association hereby agrees that during the term of the current MOU, neither it nor its members or agents, representatives or persons, acting in concert with any of them, shall incite, engage or participate in any strike, walkout, slowdown, sickout, or other work stoppage or interference of any nature against the District whatsoever, or wheresoever located, including but not limited to disputes which are related to the subject matter contained in the MOU; disputes which are specifically not subjects of the MOU (this does not in any way prohibit filing of claims with courts, PERB or other labor enforcement agencies); disputes between the District and other employee organizations, persons, or employees; or jurisdictional disputes. In the event of any strike, walkout, slowdown, or other work stoppage or threat thereof against the District during the term of the current MOU, the Association and its officers will take all steps reasonably within their control to end or avert the same.

Those represented by the Association will not authorize, engage in, encourage, sanction, recognize, or assist in any strike, slowdown, walkout, sickout, or other work stoppage against the District or picket in furtherance thereof, or participate in unlawful concerted interference in violation of this provision, or refuse to perform duly assigned services in violation of this provision. It is understood that any person represented by the Association found in violation of this provision may be subject to discipline, including termination as determined by the District Employee Relations Officer, according to Personnel and Salary Policy.

## ARTICLE X

### Full Understanding, Modification and Waiver

10.1 Except for the agreements the parties reached in regards to revising the District's Personnel & Salary Policy to reduce the vacation buyout provision requiring a minimal of 50 percent use of accrual to qualify for buyout to 40 percent, it is intended that this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether

formal or informal, regarding any such matters are hereby suspended or terminated in their entirety.

10.2 Except as specifically provided herein in Section 4.1, it is agreed and understood that the Association hereto voluntarily and unqualifiedly waives its rights, and agrees that the District will not be required to negotiate with respect to any subject or matter covered herein during the term of this Agreement. Except in cases of emergency as provided by Government Code Section 3504.5, the Agency shall provide reasonable written notice to the Association of any ordinance, resolution, rule or regulation directly related to matters within the scope of representation proposed to be adopted by the Agency Board of Directors and shall give the Association the opportunity to meet with the Agency representatives.

10.3 Any agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless contained in writing signed by both parties and approved and implemented by the District Board of Directors.

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

## ARTICLE XI

### Savings Clause

11.1 Should any provision of this Memorandum of Understanding, or any application thereof, be unlawful by virtue of any federal, state, or local law or regulation, or the Employer-Employee Relations Resolution, such provision shall be effective and implemented only to the extent permitted by said law, regulation, or Resolution. In all other respects, the provisions of this Memorandum of Understanding shall continue in full force and effect for the life thereof.

11.2 If any provision of this Memorandum of Understanding is held by a final decision of a court of competent jurisdiction to be unlawful or invalid, such provision shall be immediately subject to renegotiation between the parties, and until agreement has been reached thereon, the parties shall comply with such decision.


## ARTICLE XII

### Duration

12.1 In the event either party hereto desires to negotiate the provisions of a successor Memorandum of Understanding, such party shall serve upon the other, during the period from March 1, 2010 to April 30, 2013, its written request to commence negotiations and its full and complete written proposal for such successor Memorandum of Understanding. Upon receipt of such written notice and proposals, negotiations shall begin thereafter no later than May 15, 2013.

If neither party provides such notice and proposals within this period, the Memorandum of Understanding shall be extended for an additional term.

MOULTON NIGUEL WATER DISTRICT

  
\_\_\_\_\_  
Robert Gumerman  
General Manager

6-23-10  
Date

MOULTON NIGUEL WATER DISTRICT  
EMPLOYEE ASSOCIATION

  
\_\_\_\_\_  
Dave Foell, President

6/16/10  
Date

  
\_\_\_\_\_  
Bargaining Team Member

6/16/10  
Date

**APPENDIX "A"**

**JOB CLASSIFICATIONS IN UNIT PETITIONED FOR BY THE  
MOULTON NIGUEL WATER DISTRICT EMPLOYEES  
ASSOCIATION**

**(SUPERVISORY UNIT)**

**CLASSIFICATION TITLE**

**BILLING SUPERVISOR**

**COLLECTION SYSTEM CREW CHIEF**

**CUSTOMER SERVICE CREW CHIEF**

**DISTRICT ACCOUNTANT**

**ELECTRICAL/INSTRUMENTATION SERVICES SUPERVISOR**

**INSPECTOR CREW CHIEF**

**RECORDS AND MAPPING COORDINATOR**

**SENIOR ACCOUNTANT**

**STATION MAINTENANCE CREW CHIEF**

**STREET CREW CHIEF**

**SUPPORT SERVICES CREW CHIEF**

**WATER DISTRIBUTION SUPERVISOR**

APPENDIX "B"

JOB CLASSIFICATION SALARY SCHEDULES  
(SUPERVISORY UNIT)

<b><u>CLASSIFICATION</u></b>	<b>SALARY RANGE</b>	
	<b><u>MINIMUM</u></b>	<b><u>MAXIMUM</u></b>
BILLING SUPERVISOR	4,729	7,011
COLLECTION SYSTEM CREW CHIEF	4,729	6,955
CUSTOMER SERVICE CREW CHIEF	4,729	7,540
DISTRICT ACCOUNTANT	5,484	7,927
ELECTRICAL/INSTRUMENTATION SERVICES SUPERVISOR	5,484	8,073
INSPECTOR CREW CHIEF	4,729	6,967
RECORDS AND MAPPING COORDINATOR	4,078	6,153
SENIOR ACCOUNTANT	3,884	6,545
STATION MAINTENANCE CREW CHIEF	4,729	6,955
STREET CREW CHIEF	4,729	6,955
SUPPORT SERVICES CREW CHIEF	4,729	6,955
WATER DISTRIBUTION SUPERVISOR	4,970	8,004