Olivehurst Public Utility District

Agenda Item Staff Report



Meeting Date: January 17, 2019

| Item description/summary | Item | descri | ption | /summ | arv |
|--------------------------|------|--------|-------|-------|-----|
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| Draft memorandum of understanding (MOU) between OPUD and the Olivehurst Fire Department Union. This item has been discussed in previous committees and Board meetings. Attached is the final draft of the above referenced MOU. It includes Board directions presented in negotiations and is set for a three year term starting January 1, 2019. A few of the highlights in the MOU are the 3 year term, equal health care and retirement benefits aligned with other District units and the ability to accrue vacation leave. |
|---|
| Fiscal Analysis: |
| Analysis shows that the Fire Department budget can absorb the minimal costs of the increase in District health care and retirement contributions. |
| |
| Employee Feedback |
| Very positive. |
| Sample Motion: |
| Move to approve the MOU between Olivehurst Public Utility District and the Olivehurst Fire Department Union. |
| Prepared by: |
| John Tillotson, P.E., General Manager |

MEMORANDUM OF UNDERSTANDING

BETWEEN

OLIVEHURST PUBLIC UTILITY DISTRICT

AND

OLIVEHURST PUBLIC UTILITY DISTRICT FIRE DEPARTMENT UNION

January 1, 2019 through December 31, 2021

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PREAMBLE

On the date hereinafter subscribed, authorized representatives of the Olivehurst Public Utility District, herein called "District", and International Union of Firefighters, "Union", made and entered into this Memorandum of Understanding, hereinafter referred to as "Agreement" or "MOU." Pursuant to Section 3500 et seq. of the Government Code of the State of California, an agreement between the aforementioned parties has as its purpose the promotion of harmonious labor relations; establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work, and other terms and conditions of employment.

The term "Agreement", as used herein, means the written agreement provided under Section 3505.1 of the Government Code.

It is understood and agreed that this Memorandum of Understanding supersedes and replaces all previous agreements on these points by and between the Olivehurst Public Utility District and the Olivehurst Public Utility District Fire Department Union.

ARTICLE I RECOGNITION AND COVERAGE

1.1 Recognition:

The Olivehurst Public Utility District Fire Department Union is recognized as a bargaining representative, as provided by the Olivehurst Public Utility District Board of Directors Policy, established 1/19/06, for all full-time shift employees assigned to the Fire Department. The Union does not represent volunteer firefighters, the administrative assistant, or the Fire Chief.

In the event new full-time classifications are established which are appropriate for this unit, the parties agree to meet and confer for the purpose of including such in the Fire Department Union for purposes of meet and confer. Union is not recognized as an exclusive or majority representative.

1.2 Continuations of Benefits:

This Memorandum of Understanding is a final expression of the agreement between the parties with respect to the terms and conditions of employment. No amendment, alteration, understanding, variation, waiver or modification of any terms or provisions of this Memorandum of Understanding shall in any manner be binding upon the parties unless made and executed in writing between the parties hereto and approved by the Board of Directors.

Terms and conditions of employment as specified in this Memorandum of Understanding shall remain in full force and effect during the term of this Memorandum of Understanding unless modified pursuant to the above paragraph or as otherwise specified in this agreement.

1.3 Terms of Understanding:

This Memorandum of Understanding incorporates all modifications regarding wages, hours, and other terms and conditions of employment. This Memorandum of Understanding shall be effective as of January 1, 2019, and shall expire December 31, 2021, or shall continue in effect from year to year thereafter unless terminated as provided in the Olivehurst Public Utility District's Personnel Rules and Regulations. Should either party desire to commence negotiations on the next subsequent Memorandum of Understanding, they shall notify the other in writing no earlier than one hundred twenty (120) calendar days prior to the expiration date of the existing Memorandum of Understanding, and negotiations shall begin no later than ninety (90) calendar days prior to the expiration date of this agreement.

Both parties do hereby agree that a reward of a new SAFER grant, application for such has been submitted, is a basis for reopening negotiations. If a new SAFER grant is awarded to OPUD, and the OPUD Board of Directors accepts the award, both parties agree to reopen negotiations and discuss any revisions which may be mutually acceptable to both parties.

1.4 Severance:

Should any provision of this Agreement be found unlawful or unenforceable by a court of competent jurisdiction, or invalidated by subsequent enacted legislation, the remainder of the Agreement shall continue in force. Upon occurrence of such an event, the parties shall meet and confer as soon as practical to renegotiate the invalidated provision(s).

ARTICLE II MANAGEMENT RIGHTS

To ensure that the District is able to carry out its statutory functions and responsibilities, nothing contained in this article shall be construed to require the District to negotiate on matters which are solely a function of management, or not otherwise assigned as an employee right, including the following:

- To manage the District generally and to determine issues of policy;
- To determine the existence of facts which are the basis of management decisions;

- To determine the necessity for an organization of any service or activity conducted by the District, and to expand or diminish services;
- To determine the nature, manner, means, technology, and extent of services to be provided to the public;
- To determine methods of financing;
- To determine types of equipment or technology to be used;
- To determine and/or change the facilities, methods, technology, means, organizational structure, and size and composition of the work force, and to allocate and assign the work by which the District operations are to be conducted;
- To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all District's functions, including, but not limited to, the right to contract for or sub-contract any work or operation of the District, except where such contracts for service would be for the purpose of workforce reductions:
- To assign work to and schedule employees in accordance with requirements as determined by the District, and to establish and change work schedules and assignments upon reasonable notice and good faith meet and confer;
- To establish and modify productivity and performance programs and standards;
- To dismiss, suspend without pay, demote, reprimand, withhold salary step increases, or otherwise discipline employees for cause;
- To determine minimum qualifications, skills, abilities, knowledge, selection procedures and standards, and job classifications, and to reclassify employees;
- To hire, transfer, promote, layoff, and demote employees for non-disciplinary reasons, including lack of work;
- To determine policies, procedures, and standards for selection, training, and promotion of employees;
- To establish reasonable employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith;

- To maintain order and efficiency in District facilities and operations;
- To establish, publish, and/or modify rules and regulations to maintain order and safety and health in the District (the District agrees to meet and confer on any items that fall within the scope of Government Code Section 3500 et, seq.);
- To restrict the activity of an employee organization on the municipal property and on the municipal time, except as set forth in the District's Rules and Regulations;
- To take any and all necessary action to carry out the mission of the District in case of emergencies.

ARTICLE III REPRESENTATIVE RIGHTS

3.1 Representative Leave:

- A. Union shall designate one of its members, or an agent retained by the Union, as its representative. The designated representative, if an employee of the District, shall be granted reasonable release time, without loss of compensation or benefits, to meet with the representative(s) of the District in regards to employee-employer relations matters.
- B. Upon request of the Union representative, a reasonable number of employees may be released from duty, without loss of compensation or benefits, for the purpose of meeting with the District. If the representative is an employee, such reasonable number shall be one additional employee. Such release time shall include thirty (30) minutes before and fifteen (15) minutes after the scheduled meeting. The times before and after the meetings are in addition to reasonable travel time to and from the employee's work location. The District may, but is not required to, allow all Union members to attend meet and confer sessions when the Fire Chief's discretion, such sessions can be conducted without interference with the operations of the Fire Department.

3.2 Union Dues:

The District agrees to accommodate dues for union representation.

ARTICLE IV SALARY AND OTHER COMPENSATION

4.1 Salary:

- A. The pay scale in is provided in Exhibit A to this agreement.
- B. Step increase shall be based upon satisfactory performance. Employees shall be evaluated on an Employee Performance Report on each employee's anniversary date. Each employee receiving a satisfactory Employee Performance Report shall, upon approval of the Board of Directors, receive a merit increase in salary and shall be advanced to the next higher step of such employee's salary range.

4.2 Educational Incentive:

- A. The District encourages and supports professional development. As such the District agrees to pay for tuition/registration, training materials, travel accommodations, and all reasonable training expenses within the constraints of the training budget and staffing limitations.
- B. The District will compensate full-time qualified training personnel to perform Department sponsored training.

4.3 Longevity Pay Plan:

The District agrees to continue the current longevity pay plan and employees shall be eligible to receive longevity pay beginning with five (5) years of continuous District service:

| Years of Service | % of Base Salary |
|------------------|------------------|
| 5 | 2 |
| 10 | 4 |
| 15 | 6 |
| 20 | 8 |
| 25 | 10 |

4.4 Retirement:

A. The District shall pay into and Employee 457 Deferred Compensation Plan 12% of the employee's base hourly rate. Additionally, the District will match up to 2.5% of any employee contribution. The investment available under the Deferred Compensation Plan 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 law.

- B. The terms of the Deferred Compensation Plan shall provide at least the following, among other customary terms:
 - The employee receives 100% vesting upon the deposit;

4.5 COLA

A. COLA. Effective January 1, 2019, or upon ratification of this agreement, whichever occurs sooner a cost of living adjustment equal to the CPI, All Urban Consumers, Western States, BC, or its successor, using the index for the period ending the preceding May 31. The amount of adjustment shall further be limited to not more than 3.5% and not less than 0.0%. Additional COLA, similarly computed, will be effective on July 1, 2019, July 1, 2020 and July 2021.

ARTICLE V OVERTIME

5.1 Overtime Compensation:

- A. Firefighters will be on a Fair Labor Standards Act (FLSA) 14-day work schedule and be paid every two (2) weeks. Overtime hours worked will be compensated at one and one-half (1½) times the employee's straight time rate of pay.
- B. The Fire Chief shall be responsible for preparing and assigning the normal work schedule for Department personnel. In addition to overtime, as required by FLSA, Firefighters shall be compensated at their overtime rate for all hours worked that is not part of their normal schedule (see Article VI, Section 6.1).
- C. It is understood that leave time taken by an employee shall continue to be counted as time worked for FLSA purposes.
- D. Incidental overtime of less than fifteen (15) minutes in a non-recurrent extension of the work day/shift is non-compensable in any form.
- E. Employees shall be compensated for one (1) full hour when working beyond the incidental overtime period (Article V, 5.1D) as a result of a dispatched incident.
- F. Employees shall be compensated for two (2) hours call back when called in for duties other than emergency calls. This includes covering for other departments in the District (examples include, but not limited to, changing cylinders at the plant, instructing classes, investigations, inspections, administrative meetings, etc.), as approved by the Chief.
- G. C.T.O.—Compensatory Time Off Employees shall have the option of overtime cash payment or C.T.O., all of which shall be at the time and one-half (1 ½) rate. The maximum accrual rate for C.T.O. shall be 48 hours effective the last day of the last pay

period payable in December of each year. Timecards not specified will be paid overtime cash pay. It is also agreed that in each section, only one employee in such section may use C.T.O. at the same time, unless approved by the General Manager.

5.2 Overtime Scheduling:

The District agrees to a rotating list for scheduling personnel for overtime shifts. This rotating list shall be maintained by the Fire Chief or designee. There shall be a separate list for "Volunteer" and "Full-Time" overtime. The District agrees to meet and confer prior to changing this policy.

5.3 Court Appearances:

Fire personnel will be compensated for required, job-related off-duty court appearances at one and one-half (1 ½) times the hourly rate of pay, for a period of four (4) hours or for hours actually worked, whichever is greater.

5.4 Staffing Errors:

An employee who reports to work on an overtime shift and is released from duty because of a staffing error will be compensated for four (4) hours at one and one-half (1 ½) times the hourly rate of pay.

5.5 Scheduled Off-Duty Training:

Fire personnel will be compensated for scheduled, off-duty training that is required by the Department and approved by the Fire Chief. Fire personnel will be compensated for a period of two (2) hours or for hours actually in attendance, whichever is greater.

5.6 Strike Team Assignments:

Fire personnel will be compensated at the current State negotiated pay rate OR the District current negotiated pay rate, whichever is higher, portal-to-portal while on a Strike Team Assignment.

ARTICLE VI HOURS OF WORK

6.1 Shifts:

A. The District and Union agree to continue the current shift schedule for Firefighters by A, B, & C shifts working two 24 hour shifts (48 hours total) on and four 24 hour shifts (96

hours total) off and D shift working Monday through Thursday from 0800 to 1600 and Friday from 0800-0800. The scheduled start time will begin at 0800.

B. The D shift Firefighter's schedule is subject to change depending upon the needs of the Department. In order to lessen the burdens on the budget, the D shift Firefighter will work all vacation days and sick days taken by the other shift Firefighters. Furthermore, all Fair Labor Standards Act (FLSA) for Firefighters will apply (e.g. hours worked and overtime provisions, etc.) unless modified by other provisions in this MOU. The District also reserves the right to review this shift schedule on a periodic basis in order to address any potential inequities or problems. Any modifications to this schedule are subject to meet and confer.

6.2 Fair Labor Standards Act (FLSA):

The District shall comply with the Fair Labor Standards Act (FLSA) and agrees to meet with Union in order to discuss sections of the Act which affect the agreed upon wages, hours, and other terms and conditions of employment.

ARTICLE VII LEAVES

7.1 Firefighter Leave:

A. Employees shall accrue 224 hours of vacation each year. New hires shall not accrue vacation until they have passed probation. Once a new hire passes probation the new hire will be awarded the prorated share of vacation they would have accrued had they not been excluded by probation. The maximum accrual shall be 280 hours, after which accrual shall stop until the employee has used vacation time under accrual cap.

7.2 Firefighter Leave Scheduling Procedure:

- A. The following shall govern when an employee may take time off on Firefighter Leave for vacation purposes:
 - 1. An employee wishing to use accrued Firefighter Leave time must request leave from the Fire Chief in writing, ten (10) days in advance. Short term leaves (less than one week) may be approved by the Chief with less notice, subject to departmental workload and scheduling needs. To the extent possible, an employee's preference for leave will be honored. Leaves may be taken at any time during the year, subject to departmental workload and scheduling needs. Firefighter Leave will be authorized, in advance, by the Fire Chief in accordance

- with employees' requests, provided it is consistent with the needs of the Department and the District.
- 2. To the extent possible, requests will be honored in the order requests are received. If conflicting requests are submitted simultaneously, the Chief will make a decision based on the Department needs.
- 3. Employees will not be granted leaves longer than five (5) working days unless it is determined by the Fire Chief that the employee's extended absence will not conflict with work schedules. Absences longer than five (5) working days for personnel must be approved by the General Manager.
- 4. The Fire Chief will not authorize requests for leaving, including his/her own, which conflict with staffing requirements of the Department. Such conflicts include, but are not limited to, inadequate employees to cover shifts and workloads, inability to cover the vacationing employee's workload, and failure to meet staffing requirements imposed by regulatory authorities.
- B. The parties agree that as Department staff levels increase, it may be necessary to increase the number of employees who can be granted leave for vacation purposes at the same time. The parties agree to meet and confer at such time that the staff increases make such a change feasible.

7.3 Shift Trades:

Each employee may be allowed to trade time for shift(s) for which they are able to secure another qualified employee to work in their place, provided that the substitution is approved by the Fire Chief and does not impose any fiscal impact to the District.

7.4 Sick Leave:

- A. Employees shall earn and be entitled to twelve (12) hours per month, totaling six (6) days (or 144 hours) per year of sick leave with pay.
- B. Sick Leave is a paid leave of absence.
- C. <u>Unused Sick Leave</u>: Unused Sick Leave shall be cumulative from year-to-year with a cap of 1,000 hours.
- D. <u>Sick Leave Payoff:</u> Unlike Firefighter Leave, Sick Leave is not a vested entitlement. However, in recognition of the value of long service provided by long-term employees, and as an inducement to encourage employees to stay with the District for the length of their career, then as a reward, but not a vested benefit, upon retirement or death, an employee (or in the instance of death the employee's estate) who has achieved the age of 53 years and who has provided at least 15 years of uninterrupted service shall be paid a

sum equal to twenty-five percent (25%) of his/her accrued sick leave. Such payment shall be computed on the basis of the employee's regular hourly wage at the time of such retirement or death.

E. <u>On The Job Injury:</u> 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 time.

7.5 Bereavement Leave:

In the event of a death in the employee's immediate family, absence(s) shall be charged to bereavement leave and shall not exceed three (3) days, or five (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 personal leave or annual Firefighter Leave, to the extent that such leave time has been accumulated by the employee.

• *Immediate Family* is defined as a person related by blood or marriage, who is a husband, wife, son, daughter, sister, brother, mother, father, grandmother, grandfather, grandchild, mother-in-law, father-in-law, sister-in-law, brother-in-law, daughter-in-law or son-in-law.

7.6 Emergency Leave:

An employee may be approved for the use of annual leave for circumstances that are extraordinary, unforeseen, last minute, and unavoidable situations requiring not more than 24-hour and the employee's immediate attention.

7.7 Holiday:

Shift employees shall accrue a total of 120 hours per year. The employee will accrue 4.62 hours per pay period of holiday time. Holiday pay does NOT carry over from year-to-year and may NOT be cashed out upon termination. If a holiday falls on a Firefighter's shift, there is no additional time-off or compensation for working the holiday shift.

ARTICLE VIII INSURANCE

8.1 Medical Insurance:

The District's obligation for health, dental, vision, life and disability insurance coverage is to provide at the level which is par to coverage provided throughout the rest of the district Plan content, including eligibility criteria and coverage, is determined by the respective carrier and is subject to change.

8.2 Health, Dental and Vision Insurance:

A. 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: \$ 1,500.00 Employee plus one dependent: \$1600.00 Employee plus two or more dependents: \$2000.00

- A. 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 \$600 per month in compensation. Any employee opting out will be subject to the rules of the District's insurance plan should he/she seek to reenter the plan. For an employee opting out of medical, but wishing to retain dental and/or vision coverage, the cost of coverage shall be subtracted from the \$600 per month.
- B. In no case shall the OPUD contribution toward any employee's medical, dental and vision insurance premiums exceed the total premium amount.
- C. Health and Welfare insurance shall be provided through a carrier or carriers chosen by the District.
- D. Employees who do not use all of the above maximum coverage amounts shall receive NO additional compensation as a result thereof.

ARTICLE IX ALLOWANCES AND REIMBURSEMENTS

9.1 Uniforms:

A. The District agrees to provide uniforms, in the amount of \$500.00, annually for all Union members. All uniforms purchased shall comply with the most current regulations and specifications as identified in the Department's Policies and Procedures Manual.

- B. Safety boots will be purchased by the Department and may be retained by the Department upon separation of service.
- C. Uniform nametag and shirt collar insignias will be provided to each employee upon initial hire. Shirt collar insignias will also be provided upon promotion to another rank or position.
- D. Uniform badges will be issued by the Department. Any other badge ordered/purchased by fire personnel must be of a style approved by the Fire Chief. Two badges will be provided to each employee upon initial hire or promotion. One badge is to be used with the employee's Class B shirt and one badge with the Class B jacket or one badge used with the Class A shirt and one badge with the Class A jacket.
- E. The District agrees to meet with Union members to review the current uniform specifications.

9.2 Uniforms—Class A:

The District will provide each full-time employee a one-time payment of \$350.00 to purchase a Class A uniform.

9.3 Tuition/Books Reimbursement:

- A. Employees who attend job-related classes/training programs approved by the Fire Chief shall be entitled to reimbursement of tuition, registrations, cost for books, and travel and incidental expenses.
- B. Approval shall be given by the Fire Chief prior to the beginning of the class/training program.
- C. An employee may repeat a job-related course to maintain or upgrade his/her knowledge, skills and abilities.
- D. Attendance in job-related classes/training programs will be voluntary and will not include overtime payment, but will include salary for attendance during working hours. Costs for transportation, meals, lodging or other incidental expenditures will be reimbursable with prior approved from the Fire Chief. If a District credit card will be used prior approval from the General Manager must be given.

9.4 Compensation for Training:

Training for programs authorized or required by the Department shall be financed by the District, except as otherwise specified by the General Manager or department head prior to participation in such training. Employees may be authorized to attend training programs during regular working hours. When the needs of the District so require, the department head may direct any employee to attend a meeting or conference as part of the vocational training required for the position. In such case, attendance may be mandatory and reasonable compensation for meals, lodging, travel and associated expenses shall be allowed. Travel to and from such training shall be provided by the District; however, no overtime will be paid for the time required to travel to and from such meetings, nor conference or training attendance beyond normal working hours.

9.5 Replacement of Damaged Personal Property:

When an employee damages his/her personal property during the normal performance of his/her duties, the employee may submit a claim for reimbursement with the District. The District shall investigate such claims and may reimburse the employee for all or part of the damaged personal property. The District shall respond to the employee within thirty (30) days after submission of the claim. The final decision to reimburse an employee for damaged personal property shall rest with the Fire Chief and General Manager.

ARTICLE X EMPLOYEE DISCIPLINE

10.1 Employee Discipline:

Employee discipline will be in accordance with Olivehurst Public Utility District Ordinance #107.2 and the California Firefighters Procedural Bill of Rights Act.

10.2 Performance Review/Merit Increase:

- A. Merit increases shall be based upon satisfactory performance. Employees shall be evaluated on an Employee Performance Report (EPR) on each employee's anniversary date until an employee reaches the maximum salary step for such employee's salary range.
- B. Each employee shall, upon receipt of a satisfactory EPR and the approval of the Board of Directors, receive a merit increase in salary and shall be advanced to the next higher step of the employee's salary range.
- C. If the salary increase is withheld because of a below-standard or unsatisfactory evaluation, and the employee remains employed, second consideration must be given within six (6) months of the anniversary date and at least every six (6) month period thereafter or until the employee receives the merit increase or is terminated.

- D. An employee who is denied a step increase shall have the right to grieve such denial with his/her immediate supervisor as the first step. If not satisfied at the first step, he/she may grieve the supervisor's denial to the General Manager.
 - The scoring within the EPR reflects the direct observations of the supervisor preparing the EPR and such scores shall not, in and of themselves, be subject to the Grievance Procedure:
 - At any level of this procedure, the employee may request representation.
- E. The District agrees to meet with the Union in order to review and propose changes to the existing employee evaluation system.

10.3 Personnel Files:

The District and Union agree that there is only one official personnel file for each employee. The employee's official personnel file is private and confidential, subject to review only by the employee, the employee's representative (with written authorization), or authorized District representatives, and by law enforcement or other authorizes possessing proper authority to review the file.

- The District shall allow every employee the opportunity to review their personnel file, at any reasonable request, and to obtain a copy of any needed document in the file.
- The official personnel file shall remain under the control of the District and shall be the only file admissible as evidence in any disciplinary matter.
- There shall be no documents placed in the official personnel file without the employee's knowledge. If upon examination of the personnel file, the employee discovers any documents placed there without the employee's knowledge the District shall, upon written request of the employee, investigate the allegation and remove any such document place there in violation of this Section.

10.4 Lay Off:

In the event of reduction of force for any reason, employees who may be laid off shall be afforded opportunities to move to other available, qualified positions within the District. If previous position(s) become available within 36 months of separation, the laid off employee(s) will be afforded the opportunity for immediate rehire, bypassing the District hiring process, so long as the employee has maintained required education, certifications and physical abilities.

ARTICLE XI GRIEVANCE PROCEDURE The Grievance Procedures are found in Ordinance #110 of the OPUD Personnel Manual and shall be in compliance with the Firefighter Bill of Rights.

ARTICLE XII MISCELLANEOUS

12.1 Fitness Evaluations (Wellness):

The District and Union agree to work cooperatively during the term of this MOU to develop a long-term wellness program for safety personnel.

12.2 Fire Job Classification:

- A. The District recognizes that the Union has a vital interest in the content of fire job specifications, including minimum qualifications and promotional patterns, for the Fire Department personnel represented by the Union.
- B. The District agrees to notify the Union anytime the District proposes to modify job classifications. The District agrees to meet and confer with the Union over such proposed changes, if the Union requests such negotiations within two (2) weeks of notification by the District.
- C. On its own initiative, the Union may, at any time, notify the District General Manager that it requests to meet and confer with the District over the Union's proposed modifications to job specifications for fire classification. The District shall schedule a meet and confer session in response to such request but it shall not be obligated to modify the classifications following such meet and confer.
- D. Nothing in this provision shall be construed as to require the District to divulge information or change procedures that in any way would compromise the integrity of the District's merit system.

12.3 Paycheck Distribution:

The District agrees to submit paychecks to employees in the Fire Department no later than 0830 hours each payday. If it becomes feasible during the terms of this MOU, this provision will be applied to all employees. The parties recognize that patience and tolerance will be exercised in the execution of this provision. Any discrepancies will be rectified within a reasonable period of time. Reasonable period of time is defined as two (2) normal working days.

12.4 Labor/Management Committee:

The District and Union agree to establish a joint labor management committee to meet and confer on matters raised by either party. This committee will meet as needed.

12.5 Personnel Rules:

The District agrees to notify the Union of proposed changes to District personnel rules, and to meet and confer in good faith over the impact of such changes prior to implementation.

SIGNATURE CLAUSE

The terms and conditions of this Memorandum of Understanding are executed on the 16th day of July 2015, by the Union representatives, whose signatures appear below, on behalf of their respective organizations.

This MOU shall be effective upon ratification by the Olivehurst Public Utility District Fire Department Union and The Olivehurst Public Utility District, and shall expire on December 31, 2020.

| Olivehurst Public Utility District | Olivehurst Public Utility District Board of Directors |
|---|--|
| John Tillotson, General Manager | Mary Jane Griego, Board President |
| Olivehurst Public Utility District Fire Department Union | |
| Union Representative | |

EXHIBIT A

January 1, 20019 PAY SCALE

| POSITION | STEP 1 | STEP 2 | STEP 3 | STEP 4 | STEP 5 |
|-------------|---------|---------|---------|---------|---------|
| CAPTAIN | \$15.23 | \$15.99 | \$16.79 | \$17.63 | \$18.51 |
| ENGINEER | \$12.69 | \$13.33 | \$14.00 | \$14.70 | \$15.43 |
| FIREFIGHTER | \$10.66 | \$11.20 | \$11.37 | \$12.34 | \$12.96 |