

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT
AND
THE MANAGEMENT STAFF BARGAINING
UNIT
REPRESENTED BY LABORERS
INTERNATIONAL UNION OF NORTH
AMERICA**

July 1, 2007 through June 30, 2009

**MEMORANDUM OF UNDERSTANDING BETWEEN THE MONTEREY
PENINSULA WATER MANAGEMENT DISTRICT
AND
THE MANAGEMENT STAFF BARGAINING UNIT, REPRESENTED BY
LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCAL 270**

This Memorandum of Understanding (M.O.U) sets forth the agreement between the representatives of LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCAL 270 (hereinafter referred to as "Union") and the representatives of the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (hereinafter referred to as "District") on all matters concerning wages, hours, working conditions and other terms of employment for employees within the MANAGEMENT STAFF BARGAINING UNIT.

The District and Union have met and conferred in good faith and have arrived at an understanding concerning wages, hours, working conditions and other terms of employment. This agreement supersedes all prior District Personnel Policies that pertained to members of this bargaining unit, where such matters have been specifically addressed. In the event of a conflict between this contract and any policy, memorandum or directive, either written or verbal, this contract shall prevail.

ARTICLE 1 RECOGNITION

Pursuant to the Meyers-Milias-Brown Act and the District's Employer-Employee Relations Resolution, the Union, affiliated with LABORERS' INTERNATIONAL UNION OF NORTH AMERICA, LOCAL 270, is hereby recognized as the exclusively recognized employee organization for the Management Staff Unit employees. Classifications in the bargaining unit are listed in Appendix A. Pursuant to language in the MOU, this list can be amended from time to time.

ARTICLE 2 NON-DISCRIMINATION

The District and the Union will cooperate in pursuing a policy of equal employment and equal promotional opportunity for all employees. There shall be no employment discrimination because of a person's political or Union affiliation or belief, non-affiliation or non-belief. There will be no coercion, intimidation, or discrimination against any employee for exercising her/his right to form, join and participate in the activities of the Union.

- F. Union Stewards – The Union shall be authorized to designate two employees within the unit as stewards and must furnish a list of these stewards to the General Manager within five working days after appointment or election. One steward at a time shall be allowed a reasonable amount of paid release time for the purpose of representing a unit employee within the steward's area of representation in the filing or processing of grievances or disciplinary appeals, as long as there is no interruption of work in the employee's division. Stewards must first obtain permission through appropriate supervisory channels before leaving their work or work location for such purposes. There shall be no discrimination, intimidation or coercion of any steward exercising his/her rights under the grievance procedure.
- G. Visits by authorized Union Representatives – Access to District work locations and the use of District paid time, facilities, equipment and other resources by the employee organizations and those representing them shall be limited to activities pertaining to the employer-employee relationship. Reasonable access to employee work locations shall be granted to representatives of recognized employee organizations for the purpose of processing grievances or contacting members of the organization concerning business within the scope of representation.
- H. Meeting Time – Employees of the District shall be permitted to meet on their own time on District premises at least two hours per month.

ARTICLE 4 DISTRICT RIGHTS

- A. Except as modified by this Memorandum of Understanding, the District reserves, retains and is vested with, solely and exclusively, all rights of the District which are not expressly abridged by law to manage the District. The District also recognizes that employee contributions to the decision making process is valuable. The District agrees to encourage employee input on matters within the scope of representation. The sole and exclusive rights of the District shall include, but not be limited to, the following:
- To manage the District generally and to determine all issues of policy;
 - To determine the nature, manner, means and technology, and extent of services to be provided to the public;
 - To determine and/or change the facility, methods, technological means, size and composition of the workforce by which District operations are to be conducted;
 - To assign work to and schedule employees in accordance with requirements as determined by the District, and to establish and change work schedules, vacation schedules, and assignments upon reasonable

ARTICLE 5 PERSONNEL ACTIONS

- A. A District list of all current job descriptions shall be available for review by employees and Union representatives. An employee may obtain a copy of any job descriptions from the Human Resources Analyst.

Upon appointment, each new employee shall be provided with a copy of the employee's job description. Further, an employee shall be given a copy of the amended job description as changes occur.

Job Descriptions shall be explicit as to the level of skills, knowledge, and ability required to perform the work. Specific detail of the work required will be used wherever reasonable and the work required shall be within the realm of that normally performed within the scope of the job classification.

- B. The District shall offer to meet and confer with the Union regarding the impacts of an appropriate reclassification whenever the District intends to classify, reclassify, create, modify, and or abolish classes existing in the bargaining unit. If an employee believes that he or she has been assigned duties that do not reasonably relate to the classification to which the employee is assigned, the Union may request and the District shall grant, an opportunity to meet and consult with the parties involved regarding such assignment. If the employee wishes to request that an individual reclassification analysis be performed on his or her position, the following procedure shall be followed:

- 1) If an employee believes that he or she has been assigned duties that do not reasonably relate to the classification to which the employee is assigned, the employee can state his or her concerns to his or her Division Manager or, in the case of the IT Unit, the Chief Technology Officer. The employee may also direct his or her concerns directly to the Union.
- 2) The General Manager will consider all such requests after receiving written input from the employees' Division Manager and/or Supervisor regarding the employee's assertions.
- 3) The General Manager will evaluate the information received and determine if a reclassification analysis is justified.
- 4) If the General Manager determines that a reclassification analysis is to be performed, he will assign that task to the Human Resources Analyst.
- 5) Reclassification requests will be handled in the order received.
- 6) Reclassification analyses will be performed as soon as possible within the context of the Human Resources Analyst's work assignments.
- 7) The results of reclassification analyses will be evaluated by the General

ARTICLE 6 CATEGORIES OF EMPLOYEES

The following definitions shall apply to this Memorandum:

1. Full-time Regular Employee: An employee of the District occupying a regular position who is employed 40 hours per week and who is not serving under a written contract or in an introductory status.
2. Part-time Regular Employee: An employee of the District who is not a full-time regular employee, who is employed less than 40 hours per week and who is not serving under a written contract or in an introductory status.
3. Introductory Period: An employee of the District who is serving in the minimum six (6) month working test period required before the appointment as a full-time regular employee is completed, during which the terms of the extended introductory period must be satisfied. In the case of a part-time employee, the introductory period shall also be a minimum six (6) month period before the appointment as a part-time regular employee is completed. An employee on introductory status may be terminated without cause.
4. Limited-Term Employee: An employee of the District who is not a regular employee, and who is hired for a project which is estimated to require 1,000 hours or less in a fiscal year. (July 1- June 30). If a project requires more than the originally estimated time, the limited-Term employee may be extended for additional 1,000-hour periods with Board approval. Any Limited-Term employee can be terminated without cause and shall not be entitled to employee rights or benefits specified in Article 7 with the exception of eligibility for PERS retirement benefits if the total worked in a fiscal year exceeds 1,000 hours.
5. Volunteer: A person who is not a paid employee who participates in any District activity by providing their labor and services to the District free of charge. Use of volunteers on District projects must be approved by both the Division Manager and Risk Manager for liability and workers' compensation purposes. (Resolution No. 96-03 outlines the Board's authorization and governs of the use of volunteers.)
6. Exempt Employee: An employee of the District that is not subject to the overtime provisions of the Fair Labor Standards Act (FLSA).
7. Non-Exempt Employee: An employee of the District that is subject to the overtime provisions of the Fair Labor Standards Act (FLSA).

by working on a District holiday may be used prior to the end of the probation period.

- C. Limited-term Employees: Limited-term employees shall not be entitled to any of the benefits set forth in this section, with the exception of those Limited-term employees who have been extended by Board approval for more than 1,000 hours of employment in a fiscal year, who will then become eligible for PERS retirement benefits.
- D. Part-time Employees: Part-time employees shall accrue pro-rata vacation and sick leave credit based upon the hours actually worked by each employee, but shall not be entitled to use accrued vacation hours until successful completion of the introductory period.

ARTICLE 8 OPTIONAL BENEFITS

- A. A deferred compensation plan (IRS Section 457) is available to all regular employees. Deferred compensation is an IRS-approved method of saving for retirement which includes deferring federal and state income taxes. Current District policy permits an employee to start, stop, increase, decrease, or change investment funds as often as he or she wishes without fees or penalties. The District does not contribute to the deferred compensation plan except as may be required by an individual employment contract.
- B. A Section 125 Flexible Benefits Plan is provided. This plan provides the opportunity to participate in an Unreimbursed Medical Expenses Plan and a Dependent-care Expense Reimbursement Plan on a pre-tax basis. Participants may contribute up to \$5,000 per year, beginning with the next Plan Year in January 2007. The District does not contribute to the Section 125 Flexible Benefits Plan.
- C. Supplemental insurance coverage is also available through AFLAC Insurance. Premiums are paid by employees.

ARTICLE 9 RETIREMENT BENEFITS

The District shall participate in the California Public Employees Retirement System (PERS) 2@55 Plan. The District shall pay both the employer's and the employee's share. The District shall also provide the PERS 1959 Survivor Benefit, Fourth Level, at no cost to the employee. Effective July 1, 2008, the District's contract shall be amended to provide the one year final compensation benefit pursuant to Government Code section 20042.

amount equal to 75% of the total District premium payment for employee health premiums as stated in 3.A above.

This opt-out provision will be cancelled, in whole or part, in the event the District transitions to a health provider that requires an employee participation rate that would, by necessity, include employees who had previously opted out of health insurance through the District. The option to opt out will be offered on a first-come, first-serve basis up to the maximum number allowable by the applicable District plan. In addition to reimbursing the opt-out employees for dependent coverage under their spouses' plan, the District will pay the premiums for employee elected AFLAC supplemental insurance policies. The cap at 75% of District health plan cost will be retained. Employees choosing to opt out of the District health plan shall receive no additional compensation beyond that described in this paragraph.

C. Retiree Medical Premiums

The District contribution towards retiree medical premiums will be available only to those retirees and their dependents or survivors who meet the eligibility criteria established by the District and/or the medical care provider. Retirees shall be eligible for enrollment in the plan in effect for members of the bargaining unit from which they retired. Retirees eligible for Medicare must enroll in a Medicare supplemental plan. To be eligible for paid retiree medical from the District, the retiree must not be entitled to receive equivalent health care through current or prior employment or the military.

- a. Less than 15 years of District service: The District will contribute the amount specified in Article 10, Section C. a. of the General Staff Unit Memorandum of Understanding.
- b. 15 or more years of District service: The District will contribute the premium required by its medical plan provider for employee-plus-one coverage up to \$855 per month. The District contribution will increase by 3% effective the beginning of each calendar year, beginning in 2007, if necessary to apply to any increase in the premium for the retiree and one eligible dependent.

D. Survivor Premiums

For a period of one year, the District shall continue to provide and pay for medical coverage for the surviving dependent(s) of an employee or retiree

- A. Credits, Accumulation, Compensation. Sick leave with full pay shall be accrued by every regular and introductory employee at the rate of one day per month. Part-time employees shall accrue sick leave at this same rate, pro-rated in proportion to the hours they actually serve, calculated on a monthly basis. All unused days of sick leave shall be accumulated. There is no accrual limit for unutilized sick leave. At the time of termination of service, an employee shall be paid for a maximum of 75 days of accumulated sick leave. Any regular employee separated from service with less than one year's longevity as a regular employee shall not be entitled to payment for unused sick leave. An employee whose retirement date is within four months of his or her separation date from the District may choose to convert all or a portion of their unused sick leave to a credit of .004 years of service for each unused day of sick leave.
- B. Charges. Sick leave shall be charged against an employee's credit only for regular working days and shall not be charged for time absent on holidays or other authorized days off. Employees may charge absences related to Pregnancy Disability Leave, or Family Medical Leave against accrued sick leave. When sickness or injury is job-incurred, the regulations of the California Workers' Compensation Law shall apply. Sick leave shall not be granted to an employee for work-related sickness or injury incurred while employed elsewhere.
- C. Notification and Certification. In order to be granted sick leave for any period of time, employees shall, no later than four hours after the time established for reporting to work, notify their supervisor of their inability to report for work and the reason therefore. When an employee requests credit for more than three (3) consecutive days of sick leave or more than four (4) days of sick leave in any one thirty (30) day period, said employee shall file with his supervisor a certificate from a physician stating the justification for such absence.

ARTICLE 13 OTHER LEAVES

- A. BEREAVEMENT OR CRITICAL FAMILY ILLNESS LEAVE. Up to three (3) days of leave with pay per year may be requested by an employee to attend to the critical illness or the funeral of any member of the immediate family. Members of the immediate family are the mother, father, grandmother, grandfather, grandchild of the employee, the spouse/domestic partner of the employee, step-children, son, son-in-law, daughter, daughter-in-law, brother, brother-in-law, sister, sister-in-law of the employee, or any relative or person living in the immediate household of the employee. There shall be no accrual of bereavement leave.

termination in the event such payment is not received by the District.

2. Disability Leave of Absence. Based upon medical evidence of disability and a written request from the employee, any employee shall be entitled to a disability leave of absence for a period of time up to 120 days.
 - a. The employee shall, insofar as possible, notify the District 14 days before the leave is anticipated to begin.
 - b. When the leave is commenced, the employee will be placed on disability leave in a non-pay status. Use of sick leave, compensatory time, management leave and/or vacation time and holidays may be requested, so long as these leave banks have been accrued, and their use is approved by the General Manager. Sick leave, management leave, vacation and holiday credits will cease to accrue once the leave of absence is commenced.
 - c. During a disability leave of absence, the District will maintain the employee's medical, dental, vision, life and long-term disability insurance at the District's expense, subject to the restrictions of the policies. The employee will be placed on a leave of absence status with PERS.
 - d. Actual duration and scheduling of the disability leave shall be based upon the doctor's certification of disability. The District reserves the right to have a physician of the District's selection verify the disability.

It is possible that non-disability and disability leaves of absence could be utilized sequentially.

For a leave of absence requested by the employee, the employee's position will be held open for that employee during the leave of absence, or if that is not possible, a different but similar position will be made available when the employee returns to work.

Once the approved leave period has lapsed, the employee must return to work or be terminated. Any employee who fails to report for duty as scheduled after a leave of absence shall be considered to have abandoned and constructively resigned his/her position unless the General Manager has granted an extension.

Notwithstanding any other provision of this section, the Board of Directors may, by resolution, make provisions for other leaves of absence without pay.

ARTICLE 15 SALARY TABLES

- A. The salary ranges listed in Appendix C are hereby established as a basic salary plan. An employee shall be eligible for promotion to the next salary step by the General Manager upon recommendation of the Division Manager following six months satisfactory service in the first step and twelve months satisfactory service in each subsequent step.
- B. For the purposes of promotion eligibility, the determination of satisfactory services shall be a District right as defined within Article 4 of this Memorandum of Understanding. The General Manager may, in his discretion, approve an employee's promotion to any higher salary step at any time in order to make equitable salary adjustments or to compensate capable employees properly.
- C. A Y-rated employee is an employee whose rate of pay has been set above the highest step in the salary range by the Board of Directors.
- D. Salary Survey Recommendation. Annually, preceding the setting of the budget, the General Manager may make a recommendation to the Board of Directors regarding the initiation of a survey of compensation and or classification for the coming year. If such a survey is conducted, it shall be implemented in accordance with the approach described in Appendix B, and the results will be submitted to the Board with implementation recommendations. The information contained in the survey shall be shared with the employee's Union representatives at the same time, and shall be made part of the meet and confer process.
- E. Cost of Living Adjustment. The Board will grant a cost-of living adjustment to employees on an annual basis to help maintain purchasing power. Effective July 1, 2007, there shall be a cost-of-living salary increase of 3.5%. Effective July 1, 2008, there shall be a cost-of-living salary increase of 3.0%.
- F. PERS EPMC: The District has implemented Government Code section 20636, section (C)(4), pursuant to Government Code section 20691, by including the value of employer-paid member contributions in salary reported to PERS as compensation for all employees.

ARTICLE 16 OVERTIME

Management Unit employees are not eligible for overtime or compensatory time.

ARTICLE 17 MILEAGE ALLOWANCE

Any officer or employee of the Monterey Peninsula Water Management District other than the General Manager who is required to operate his/her own or a

3. Insubordination (including, but not limited to, refusal to do assigned work).
4. Carelessness or negligence in the performance of duty or in the care or use of District property.
5. Discourteous, offensive, or abusive conduct or language toward other employees, directors, or the public.
6. Dishonesty.
7. Possession of or drinking of alcoholic beverages on the job or reporting for work while intoxicated.
8. Addiction to the use of narcotics or a restricted substance, possession or use of narcotics or restricted substances while on the job or reporting to work while under the influence of a narcotic or restricted substances.
9. Personal conduct unbecoming an employee of the District in the course of performing her/his duties. Such conduct is defined as that which would undermine District goals and objectives and/or the employee's ability to perform the duties of his/her position.
10. Engaging in political activity during assigned hours of employment (including, but not limited to, campaigning on behalf of any candidate for public office, including himself or herself, whether by speaking, soliciting funds or support, distributing handbills, using any District property, equipment or facility for any political purpose during regular duty hours or after duty hours unless the use thereof is by law for such purposes and the employee has obtained prior written authorization from the *General Manager* or his authorized representative.
11. Conviction of any crime involving moral turpitude.
12. Absence without leave for three consecutive days or repeated tardiness.
13. Abuse of illness leave privileges.
14. Falsifying any information supplied to the District, including but not limited to, information supplied on application forms, employment records, or any other District records.
15. Offering anything of value or offering any service in exchange for special treatment in connection with the employee's job or employment, or accepting anything of value or any service in

- c. Suspension with pay of twenty (20) days or less.
- 2. The notice of disciplinary action is accompanied by the advice that the employee may respond either verbally or in writing to the representative imposing the action prior to its effective date and may be represented in the response.
- C. Reprimand. The General Manager may reprimand an employee by furnishing him/her with a statement, in writing, of the specific reasons for such reprimand. A copy of notice of the reprimand shall be included in the employee's personnel file and the employee shall have the right of rebuttal. The General Manager may correct the reprimand or notice of reprimand at his/her discretion.
- D. Suspension Without Pay. Any suspension invoked as a disciplinary action under this section against an employee, whether for one or more periods, shall not exceed fifteen (15) calendar days in any one (1) calendar year; provided, however, that where a suspension is made because of criminal information or indictment filed against such employee, the period of suspension may exceed ninety (90) calendar days and continue until, but not after, the dropping of charges or the judgment or conviction or acquittal of the offense charged in the complaint, or indictment has become final. Employees suspended shall forfeit all rights, privileges, and salary while on such suspension.
- E. Suspension With Pay. Notwithstanding other provisions of this section, an employee may be suspended with pay and benefits for a period not to exceed twenty (20) working days upon a determination by the General Manager that circumstances exist that make the immediate removal of the employee to be in the best interests of the Monterey Peninsula Water Management District, and that the employee cannot be effectively used in his/her job.

Notwithstanding the above provision, the General Manager may suspend an employee at any time for reasons of investigation for disciplinary action. Written notice of such suspension shall be given the suspended employee as soon as possible, but not later than seventy-two (72) hours after such action is taken. Such suspension is not a disciplinary action and shall not be subject to appeal unless it, or any portion of it, subsequently becomes a disciplinary action. The General Manager may reinstate any such suspended employee to his/her position for good cause and shall, upon reinstatement, restore his/her rights and privileges with back pay for time lost.

- F. Dismissal. The continued tenure of each employee shall be subject to his/her satisfactory conduct and the rendering of efficient service. Should

2. In no case shall Monterey Peninsula Water Management District vehicles be used for transportation by employee representatives in connection with the processing of grievances nor will reimbursement be considered for the use of private vehicles.

E. Grievance Procedure Steps.

1. Informal Discussion.

- a. The grievance shall first be discussed on an informal basis by the aggrieved with his/her immediate supervisor within twenty-one (21) calendar days from the date of the action causing the grievance.
- b. Every effort shall be made to resolve the grievance at this level.

2. Formal Written Grievance.

- a. In the event the employee believes the grievance has not been satisfactorily resolved, the employee shall submit the grievance in writing to the General Manager.
- b. Within five (5) working days of receipt of the grievance, the General Manager shall schedule a meeting with the grievant, and the grievant's representative, if she/he so chooses, to discuss the grievance. Within five (5) working days of the grievance meeting, the General Manager shall deliver a written decision to the grievant. Any grievance settled at this step shall be subject to Board review.

3. Appeal to the Board

Board review will only be initiated upon written application. Said written appeal shall be filed with the Clerk to the Board and state the basis of the appeal. Any appeal based upon a disciplinary action shall contain a specific admission or denial of the material allegations contained in the notice of disciplinary action. At the next regularly scheduled meeting of the Monterey Peninsula Water Management District Board, after the filing of the order and appeal with the said Clerk, the Board shall determine whether it will hear the appeal or appoint a hearing officer for this purpose. If the Board determines to hear the appeal, it will set a time and place for such hearing and provide notice to the appellant. If the Board determines to appoint a hearing officer, the hearing officer shall be mutually agreed upon between the Board's representative and the Union. In the event that the parties cannot mutually agree on a hearing officer, the parties shall request a list from the California State Conciliation and Mediation Service. The Hearing Officer shall then be selected by the

An employee engaging in any occupation or outside activity for compensation shall inform his or her Supervisor of the time required and the nature of such activity. An employee engaging in any occupation or outside activity which may be incompatible with Monterey Peninsula Water Management District employment or for compensation who fails to inform his/her supervisor of such occupation or activity may be subject to disciplinary action up to and including dismissal.

ARTICLE 23 JOB SHARING.

The General Manager may hire two part-time employees to fill a regular full-time position if the Division Manager determines that the duties of the position can be shared.

ARTICLE 24 REDUCTION IN FORCE

A. General.

From time to time reductions in staff may be necessary. These reductions, (layoffs) occur without prejudice and without fault on the part of any employee. Reductions usually happen as a result of decrease or curtailment in revenues, reorganization of staff, termination of a program or activity, modification or change in service requirements or in the interest of efficiency or economy. Such changes are inevitable given the nature and mission of MPWMD. Alternatives to avoid or limit layoffs will be carefully considered. The Union shall be given at least ten (10) days advance notice before a reduction in force is presented to the Board for action and sixty (60) days advance notice before a reduction in force is implemented. Upon request, the District shall meet with the Union to discuss alternatives to an impending layoff. However, if layoffs are deemed necessary by the District, the parties shall meet and confer over the effects of such layoffs on the employees within the bargaining units. The District retains full authority to determine what measures are most appropriate under the circumstances.

B. Definition

A reduction in force or layoff is an involuntary separation of an employee from a class of position and from District service. Depending on the circumstances, it may be temporary or permanent.

C. Notice

An employee with one or more year's continuous service with the District shall receive as much notice as possible, but in no event shall notice be given less than two weeks before their effective layoff date.

months following layoff, if they keep the District advised of their current address and telephone number.

F. Benefits.

Employees who have been laid off are not entitled to benefits. However, they may be eligible for a continuation of some benefits under COBRA and for state unemployment insurance. Information on these topics will be provided by the Human Resource Analyst.

ARTICLE 25 DRUG-FREE WORKPLACE POLICY

The District is committed to maintaining a work environment free from the influence of alcohol and drugs in keeping with the spirit and intent of the Drug-Free Workplace Act of 1988. Illegal drugs in the workplace are a danger to all of us. They impair health, promote crime, lower productivity and quality, and undermine public confidence in the work we do. The use of any controlled substances is inconsistent with the behavior expected of our employees. It subjects all employees as well as visitors to our facilities and work sites to unacceptable safety risks and undermines the District's ability to operate effectively, and efficiently.

In this connection, any location at which Monterey Peninsula Water Management District business is conducted, whether on District property or at any other site, is declared to be a drug-free workplace. This means that:

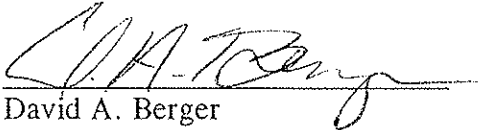
1. All employees are absolutely prohibited from engaging in the unlawful manufacture, distribution, dispensation, possession, sale, or use of a controlled substance in the workplace or while engaged in District business off our premises. Any employee violating the policy is subject to discipline, up to and including termination for the first offense.
2. Should an employee be required to take any kind of prescription or nonprescription medication that could affect job performance, the employee is required to report this to his/her supervisor. The supervisor will determine if it is necessary to temporarily place the employee on another work assignment or to take other action as appropriate.
3. Employees have the right to know the dangers of drug abuse in the workplace, the District's policy about it, and what help is available to combat drug problems. The District will provide educational material and conduct training for all employees on this subject. The District also recognizes that substance abuse is treatable and is willing to provide referral assistance to those who want to understand and correct their problem before it impairs their performance and jeopardizes their employment. One source of treatment for drug/alcohol dependency is provided to District employees through their coverage under the District's Employee Assistance Plan.

ARTICLE 28 SEVERABILITY

If any section, sub-section, paragraph, sentence, clause or phrase of this resolution is, for any reason, held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this resolution, it being hereby expressly declared that this resolution and each section, sub-section, paragraph, sentence, clause and phrase thereof would have been adopted irrespective of the fact that any one or more sections, sub-sections, paragraphs, sentences, clauses or phrases be declared invalid or unconstitutional.

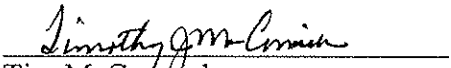
ARTICLE 29 TERM OF AGREEMENT

This Agreement shall be effective on the 1st day of July 2007 and shall remain in full force and effect without change, addition or amendment through June 30, 2009, and shall be renewed thereafter subject to reopening by either party upon written notice to the other party no more than 120 days prior to June 30, 2009 or any June 30 anniversary date thereafter.



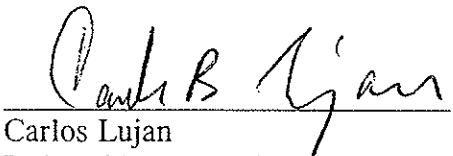
David A. Berger
General Manager, Monterey Peninsula
Water Management District

08/15/07
Date



Tim McCormick
Representative, LIUNA/UPEC Local 270

8/16/07
Date



Carlos Lujan
Business Manager, LIUNA/UPEC Local 270

08/16/07
Date

PERSONNEL COMPENSATION POLICYA. PURPOSE:

The purpose of this policy is to detail the Monterey Peninsula Water Management District's (or "District's") policy for setting the compensation for its employees. The District's compensation policy is important since it establishes the framework in which compensation decisions are made. Adoption of this policy by the District shows consensus regarding the District's compensation practices, and the information presented in each of the following areas will assist District staff in managing the plan over time:

1. Compensation Goals and Objectives
2. Criteria for Selection of Labor Market Survey Agencies
3. Use of Private Sector Employers
4. Balancing Labor Market Data and Internal Relationships
5. Labor Market Position
6. Point of Comparison
7. Survey Classification Selection
8. Compensation Survey Scope

B. COMPENSATION GOALS AND OBJECTIVES

The District's compensation plan is an important element of its personnel system and should accomplish the following goals and objectives:

1. Ensure that the Monterey Peninsula Water Management District has the ability to attract and retain well-qualified personnel
2. Provide a defensible and technically sound basis for compensating employees
3. Allow flexibility and adaptability for making District-wide compensation decisions based on changing market conditions
4. Recognize the Monterey Peninsula Water Management District's responsibility as a public agency in establishing a pay plan which is consistent with prudent public practices
5. Ensure that the District's compensation practices are competitive and consistent with those of comparable employers

4. Cost of Living Differences To ensure consistency in the cost of living of each survey location, a cost of living index should be used for comparison with the District (A sample using the Economic Research Institute's (ERI) data is included as Attachment A, Table 1). This index identifies the percentage difference in cost of living between each survey location and the Monterey Peninsula Water Management District. Any location with a cost of living index greater than 100 has a higher cost of living while indices less than 100 indicate a lower cost of living. Generally, differences of less than five percent are not statistically significant. The use of a cost of living index minimizes the possibility of significant data skewing.

Using these selection guidelines, and to maintain continuity of agencies from study to study, Attachment A, Table 1 is provided as a sample set of survey agencies. While it is impossible to find agencies that are exactly comparable to the Monterey Peninsula Water Management District, the agencies listed do provide a representative "picture" of comparable agencies. In order to ensure that a sufficient and valid sample of data is collected, 12 to 15 survey agencies are used. The agencies used for comparison will be subject to review and revision in future compensation studies.

D. USE OF PRIVATE SECTOR EMPLOYERS

Since public agencies are only one type of employer with which the District competes for employees, it is important to consider private sector employers since they have a significant impact on the local labor market. While private sector employers can be important to consider, several difficulties exist in conducting a valid analysis of private data including:

1. Private employers are generally not willing to participate in surveys
2. Number of comparable jobs is limited
3. Pay philosophies and compensation structures are different
4. Recruitment and retention practices are distinct
5. Private sector data is often unreliable

Attachment A, Table 2 is a sample of private companies the District believes it competes with in order to recruit and retain high-quality employees. As with the public sector agencies above, the sample of private companies used for comparison will be subject to review and revision. Survey data should be collected and analyzed to identify private sector trends among jobs, which are comparable to selected District jobs in order to determine similarities and differences in compensation trends. Since it is impossible to find private sector data, which is comparable to a significant number of District jobs, a comparison analysis will provide the District with an accurate picture of how its compensation plan compares to the private sector without sacrificing the statistical integrity of the survey data.

G. POINT OF COMPARISON

When comparing District salaries with market agencies, it is important to establish a consistent point of comparison. Since all the agencies used in the market survey utilize pay range structures, a critical analysis is needed to find the salary range "control point." This is the top step or range maximum for those agencies that use the range maximum as the control point. Control point salaries are used if the agency's range structure utilizes a mid-point or similar reference point. The range control point is that point in the salary range that:

1. Is used to "anchor" the pay range to the labor market
2. Employees will attain through step increases or other increases based on satisfactory performance (range progression beyond the control point is usually based on superior job performance)

Since the District allows employees to reach the range maximum through usual salary range progression, the range maximum is used as the point of comparison with the market agencies.

H. SURVEY CLASSIFICATION SELECTION

Survey classifications represent a sample of all classifications contained in the District's classification plan and provide a reference point for the extrapolation of salary recommendations for non-survey classes. The criteria utilized in selecting these survey classifications are as follows:

1. Survey classes should have a clear and identifiable relationship to other classes in their occupational group. This assures that they will make good references in relating and establishing salaries for other classes.
2. They should be reasonably well known, and clearly and concisely described.
3. They should be commonly used classes such that counterparts may readily be found in other agencies in order to ensure that sufficient compensation data will be compiled.

These factors ensure that appropriate data can be collected in order to select benchmark classes and to determine appropriate internal salary relationships. Because of the size of the District and the unique characteristics of certain job classes, all job families should be represented in the scope of the survey.

Agency	*ERI Index
Monterey Peninsula WMD	100.0
Alameda County Water District	103.8
AMBAG	100
Carmel Area Waste Water District	N/A
CA. Dept. of Fish & Game	N/A
CA. Dept. of Parks & Recreation	N/A
CA. Dept. of Water Resources	N/A
City of Carmel	N/A
City of Monterey	100
City of Pacific Grove	104.3
City of Salinas	94.5
City of Santa Cruz	104.4
City of Seaside	96.5
Monterey County	100
Monterey Rgnl Water Plltn Cntrl Agcy	100
Pajaro Valley Water Mgmt Agency	97.5
Santa Clara Valley Water District	103

*Economic Research Institute (ERI) Cost of Living Index, 1996

Company	Industry	Location
DPIC Companies	Insurance	Monterey
California Insurance Group	Insurance	Monterey
Weyerhaeuser	Manufacturing	Salinas
CTB McGraw Hill	Publishing	Monterey
Tanimura & Antle, Inc.	Agribusiness	Salinas
Community Hospital of Monterey Peninsula	Health Care	Monterey
Monterey-Salinas Transit	Transportation	Monterey
Dole Fresh Vegetables	Agriculture	Salinas
Monterey Bay Aquarium	Aquarium	Monterey
Integrated Device Technology	Manufacturing	Salinas

COMPREHENSIVE DATA COLLECTION & ANALYSIS

BASE SALARY:

- ◆ Minimum
- ◆ Maximum
- ◆ Steps/Time
- ◆ Effective Dates

CASH SUPPLEMENTS:

- ◆ Deferred Compensation
- ◆ Educational Incentive
- ◆ Longevity Pay
- ◆ Employee Retirement Pick-up
- ◆ Others

EMPLOYER INSURANCE CONTRIBUTIONS:

- ◆ Health
- ◆ Dental
- ◆ Vision
- ◆ Life
- ◆ Other

EMPLOYER RETIREMENT CONTRIBUTIONS:

- ◆ Employer Contribution
- ◆ Social Security
- ◆ Other

PAID LEAVE BENEFITS:

- ◆ Vacation
- ◆ Holiday Leave
- ◆ Administrative/Management Leave
- ◆ Bereavement Leave

AUTOMOBILE SUPPLEMENT:

- ◆ Vehicle Allowance
- ◆ Assigned Vehicle

MANAGEMENT STAFF BARGAINING UNIT

SALARY SCHEDULE FY 2008-2009
EFFECTIVE July 1, 2008
(3% COST OF LIVING INCREASE INCLUDED)

RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	ANNUAL
1	2560	2673	2791	2916	3046	36552
2	2616	2733	2854	2981	3115	37380
3	2674	2792	2918	3048	3186	38232
4	2734	2855	2982	3116	3257	39084
5	2794	2919	3049	3187	3331	39972
6	2856	2985	3118	3259	3407	40884
7	2921	3051	3189	3332	3483	41796
8	2986	3119	3261	3408	3564	42768
9	3052	3190	3334	3486	3641	43692
10	3121	3262	3410	3565	3729	44748
11	3192	3337	3489	3648	3814	45768
12	3264	3412	3567	3732	3903	46836
13	3338	3490	3649	3816	3992	47904
14	3413	3570	3734	3905	4085	49020
15	3492	3651	3818	3994	4179	50148
16	3572	3736	3907	4087	4276	51312
17	3653	3820	3996	4181	4376	52512
18	3737	3909	4089	4278	4476	53712
19	3823	3998	4183	4379	4580	54960
20	3911	4091	4281	4479	4689	56268
21	4001	4185	4381	4585	4799	57588
22	4093	4284	4482	4691	4910	58920
23	4187	4383	4587	4801	5025	60300
24	4286	4485	4694	4912	5144	61728
25	4393	4602	4821	5051	5294	63528
26	4487	4696	4915	5147	5389	64668
27	4592	4806	5031	5267	5516	66192
28	4698	4917	5150	5391	5645	67740
29	4808	5035	5271	5519	5780	69360
30	4921	5152	5394	5649	5916	70992
31	5037	5274	5522	5783	6056	72672
32	5155	5397	5653	6359	6201	74412
33	5276	5525	5787	6061	6347	76164
34	5401	5657	5923	6205	6499	77988
35	5529	5790	6064	6353	6654	79848
36	5660	5928	6209	6503	6813	81756
37	5793	6068	6356	6659	6976	83712
38	5974	6262	6563	6880	7214	86568
39	6071	6359	6662	6980	7314	87768
40	6215	6511	6821	7147	7489	89868
41	6363	6666	6983	7317	7669	92028
42	6515	6824	7150	7493	7854	94248
43	6669	6988	7321	7674	8041	96492
44	6829	7154	7497	7858	8235	98820
45	6993	7326	7678	8046	8433	101196
46	7160	7501	7862	8240	8637	103644
47	7406	7765	8142	8538	8954	107448
48	7506	7866	8244	8642	9059	108708
49	7686	8055	8443	8851	9277	111324
50	7870	8249	8646	9064	9502	114024
51	8060	8448	8855	9283	9732	116784
52	8254	8651	9069	9507	9966	119592
53	8553	8969	9408	9866	10348	124176
54	8655	9074	9512	9972	10457	125484
55	8975	9413	9873	10355	10861	130332
56	9079	9517	9980	10462	10971	131652
57	9298	9748	10221	10717	11237	134844
58	9523	9985	10469	10977	11510	138120
59	9753	10227	10722	11243	11790	141480
60	9990	10474	10984	11517	12079	144948