Addendum No. 1 to Memorandum of Understanding (MOU) for the Classified Employees Union

San Lorenzo Valley Water District

May 22, 2023

This Addendum No. 1 (Addendum) to the MOU for the Classified Employees Union, dated January 19, 2017, is made and entered into by and between the San Lorenzo Valley Water District (District) and the District's Classified Employee's Union (Union). The District and the Union are referred to herein collectively as the Parties, or individually, as a Party.

The District and the Union are engaged in the process of meeting and conferring in good faith within the meaning of the Meyers-Milias-Brown Act (California Government Code Section 3500 et. seq.), regarding wages, hours and other terms and conditions of employment for those employees in the classifications of position represented by the Union in connection with the above-referenced MOU. While such meet and confer efforts are ongoing for the purpose of renewing the MOU, the Parties now wish to confirm certain interim agreements with respect to the MOU, as follows:

1. The MOU shall continue in full force and effect while the Parties continue to meet and confer in good faith for the purpose of renewing the MOU. Accordingly, all terms and conditions of the MOU shall remain in full force and effect except as otherwise expressly specified herein below.

2. For Calendar Year 2023, all employees covered by the above-referenced MOU shall receive a cost-of-living (COLA) salary increase of six percent (6%) applied to their base salary in effect as of January 1, 2023. This COLA salary increase shall be retroactive to January 1, 2023, and the difference between a COLA of six percent (6%) and COLA already paid to the employee for 2023 under the existing MOU shall be paid within thirty (30) days from the effective date of this Addendum.

    a. This COLA payment will be prorated based on length of service with the District for employees who commenced employment with the District in 2023.

    b. This COLA payment will only be made to employees who are in good standing with the District, i.e., the employee has not given any notice of intention to resign, nor has the District given any notice of intention to terminate or discipline the employee.

3. Within thirty (30) days from the effective date of this Addendum, all employees covered by the above-referenced MOU shall receive a one-time (non-PERS) payment calculated as seven percent (7%) of their base salary in effect as of January 1, 2023. This payment will be calculated as seven percent (7%) of the employee's annualized salary for Calendar Year 2023 including the January 1, 2023, COLA adjustment under the MOU, but not including the additional COLA adjustment to be made under Section 2 of this Addendum.

    a. This one-time payment will be prorated based on length of service with the District for employees who commenced employment with the District in 2023.

b. This one-time payment will only be made to employees who are in good standing with the District, i.e., the employee has not given any notice of intention to resign, nor has the District given any notice of intention to terminate or discipline the employee.

4. The District shall use reasonable best efforts to complete a comprehensive salary benchmark study (i.e., salary study) conducted by a qualified consultant within six (6) to twelve (12) months from the effective date of this Addendum. The District will release a request for proposal (RFP) for a qualified consultant as soon as practicable and no later than three (3) months from the effective date of this Addendum. The Parties will suspend negotiations regarding the employees' total compensation package until after the salary study is completed.

    a. The total compensation package includes all the aspects of employee compensation, including without limitation salary, comp time, allowances, paid time off (PTO) and other benefits.

    b. If the salary study and subsequent negotiations regarding the total compensation package have not been completed by January 1, 2024, the salary schedule for all covered employees shall be increased based upon the June 1st semiannual consumer price index for the urban San Francisco – Oakland – Hayward area as published for the preceding year or upon any alternative consumer price index that the Parties mutually agree represents local inflation experienced by District employees during Calendar Year 2023.

5. The Parties agree that the final salary study will be the basis for setting total compensation for each position at a level that represents the value of the average (i.e., 50%) total compensation package for similar/comparable positions/classifications at similar/comparable public agencies. In connection with establishing salary schedules for all positions based on the results of the salary study, the District's Board of Directors (Board) reserves all rights to set compensation at a higher level for any particular position(s) as may be deemed necessary or desirable by the Board for purposes of recruiting, retention, etc.

    a. No employee's compensation package shall be reduced as a result of the salary study.

    b. Any salary increase for a position/classification based on the results of the compensation study shall be phased in over the term of the new MOU, in annual increments of five percent (5%) per year up to the total increase, and the parties agree that the term of the new MOU shall be five (5) years. The total increase for any position shall not exceed twenty-five percent (25%) of the salary schedule currently in effect for that position.

6. The District Manager will be the administrator for the consultant contract for the salary study and will direct and oversee the consultant's efforts in the District Manger's sole discretion.

    a. The District Manager will meet and confer with the Union designated representatives for purposes of obtaining their input regarding similar/comparable

agencies and establishment of similar/comparable classifications for purposes of the salary study.

b. The RFP for the salary study shall require the consultant to footnote or otherwise describe any notable or material differences in titles and/or duties of positions being compared.

7. Pending completion of the salary study, the Parties will continue to meet and confer in good faith regarding matters other than elements of the total compensation package.

Signatures

AMERICAN FEDERATION OF STATE, COUNTY, AND MUNICIPAL EMPLOYEES, LOCAL 101

Carol McEwan, Business Agent

DATED: May 16, 2023

Detlef Adam, Chapter President

DATED: May 16, 2023

Joe Davis, Chapter Vice President

DATED: May 16, 2023

SAN LORENZO VALLEY WATER DISTRICT

Mark Smolley, President of the Board

DATED: ~~May __, 2023~~
June 1, 2023

Rick Rogers, District Manager

DATED: ~~May __, 2023~~
6-1-2023