

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
ORANGE COUNTY WATER DISTRICT (“DISTRICT”)
AND THE
ORANGE COUNTY EMPLOYEES ASSOCIATION (“OCEA”)**

PREAMBLE

Pursuant to Government Code Section 3500, *et seq.*, representatives of the Orange County Employees Association (“OCEA”) have met and conferred with the representatives of the Orange County Water District (“District”) and have reached an understanding and recommend that the Board of Directors for the OCWD adopt the following Memorandum of Understanding (MOU):

**ARTICLE I
TERM OF AGREEMENT**

The term of this agreement shall be effective July 1, 2017 to June 30, 2020.

**ARTICLE II
RECOGNITION**

This agreement applies to all employees represented by the OCEA as set forth in the attached salary table (Appendix A).

**ARTICLE III
COMPENSATION**

Effective July 1, 2017 all employees represented by OCEA shall receive a base salary increase of two percent and one-half (2.5%). Effective July 1, 2018 all employees represented by OCEA shall receive a base salary increase of two percent (2.0%). Effective July 1, 2019 all employees represented by OCEA shall receive a base salary increase of two percent (2.0%). Said adjustments shall be made to the current salary schedule attached hereto as Appendix A. After adjustments have been made, the updated Salary Schedules will be updated and posted on the District’s website.

**ARTICLE IV
HEALTH INSURANCE**

Subject to the reopener language as outlined below in subparts D-F of Article IV of this MOU, the parties agree to a continuation of the health plans currently in place with the following changes:

- A. Effective January 1, 2018, increase the District’s contributions by up to \$175.00 per month per benefit level or 100% of the premium rate increase, whichever is less. (See Note below in subpart F.3.)

- B. Effective January 1, 2019, increase the District's contributions by up to \$190.00 per month per benefit level or 100% of the premium rate increase, whichever is less. (See note below in subpart F.3.)
- C. Effective January 1, 2020, increase the District's contributions by up to \$200.00 per month per benefit level or 100% of the premium rate increase, whichever is less. (See note below in subpart F.3.)
- D. Proportionate allocation of any decrease in medical premium.
- Any decrease in health premiums will be shared proportionately between OCWD and the employees. The proportion allocation is dependent upon the percentage of the existing premium paid by the employer and employee.
- E. The parties recognize the fundamental importance of the health insurance benefit to the employees and the District. The parties also recognize that certain changes to State and Federal laws, programs, taxes and regulations including the Affordable Care Act, may impact future medical plan offerings. In the event that reform measures or changes in the healthcare marketplace alter healthcare coverage options, costs or other elements of healthcare and materially alter the provisions of this MOU, either party may request to reopen Article IV regarding medical insurance for the purposes of discussing alternative approaches and proposals to providing healthcare coverage.
- F. This Article shall automatically reopen if at any time during the term of this MOU:
1. District is notified of a change in insurance carriers, a change in benefit plans, or a change in administrators, and such change has a material or significant affect or impact on actual benefits received by unit members covered by this MOU.
 2. District elects to change insurance carriers, change or add benefit plans, change administrators, or offers alternative plans such as a Health Savings Account to accompany the District's High Deductible Health Plan, and such change has a material or significant affect or impact on actual benefits received by members of this MOU.
 3. The District contributions for health insurance set forth above in this Article IV in subparts A & B, are not subject to the reopener language and shall remain as stated for the full term of this MOU.
- G. Rights under AB 646 fully preserved.
1. It is the specific intent of the parties to this agreement that Article IV of this MOU shall preserve the full rights of the parties in the event of a reopener,

and in the event of an impasse, as provided for in Government Code Section 3505.4 et seq. (AB 646).

2. In the event that a health care reopener of this Article occurs and the parties fail to reach an agreement on any proposed changes, the existing health care plan options/benefits will remain in effect until the exhaustion of the impasse process set forth in Government Code Section 3505.4 et seq. (AB646).
3. In view of the short time period involved in plan renewals or plan changes, the parties agree to expedite the meet and confer process and impasse process, if requested, as quickly as possible.

ARTICLE V COVERAGE FOR RETIREES

The District contribution for health insurance for retirees and surviving spouses shall be the same as for active employees as adjusted and set forth in Article IV.

Any current, or, future retiree, who elects post-retirement health coverage and becomes eligible for Medicare benefits shall designate Medicare as his/her primary insurance coverage (District's coverage will be secondary/supplemental) provided, however, retiree and survivor medical coverage in sections 12.2.1 and 12.2.2 of the Personnel Manual for employees hired on or after July 1, 2009, will terminate upon eligibility for Medicare.

ARTICLE VI PERSONNEL MANUAL

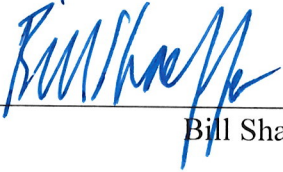
OCWD and OCWDEA will work together over the next 45 days on several changes to the District's Personnel Manual, which will become final at such a time as both parties reach agreement.

ARTICLE VII CONTINUATION OF PRIOR AGREEMENT

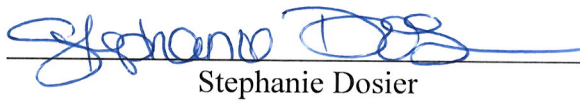
All other provisions of the prior MOU between the parties for the period of July 1, 2015 through June 30, 2017 will remain in effect for the term of this MOU without change or modification.

Dated: July 1, 2017.

**ORANGE COUNTY WATER DISTRICT
("OCWD")**



Bill Shaeffer



Stephanie Dosier




Lisa Wirtz

**ORANGE COUNTY EMPLOYEES
ASSOCIATION ("OCEA")**




Denise Velasco



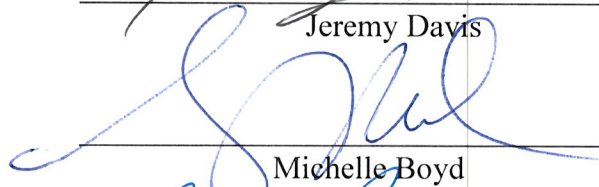
Dave Henry



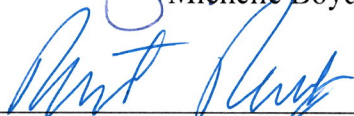
Phil Harrington



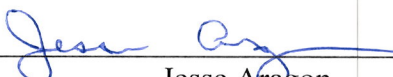
Jeremy Davis



Michelle Boyd



Robert Raley



Jesse Aragon