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Approval of Management Association MOU and Unrepresented Employee Standard Form Employment Agreement

Board of Directors Meeting
June 10, 2026

Management Association Labor Negotiations Summary



- Management Association (MA) represents nine employees
- In October 2022, District executed Memorandum of Understanding (MOU) with MA
 - Expiration date of June 30, 2026
- District initiated labor negotiations with MA in March 2026
 - District has reached tentative agreement on new MA MOU
 - Ratified by MA members on May 14, 2026

MA MOU

Key Terms and Conditions



- MOU Term
 - MOU expires on June 30, 2031 (i.e., 5-year term)
- Wages
 - Annual Cost-of-living adjustments (COLA) are based on a consumer price index (CPI) with a range between 3.5%-5.0% in Year 1 (FY26/27 CPI = 3.3%, which triggers COLA of 3.5%)
 - COLA between 3.0%-5.0% for Years 2 through 5
 - 2026 COLA reductions (i.e., y-rating) for three classifications pursuant to MA side letter with District will not be implemented
- Leaves
 - Increase administrative leave to 56 hours per year (from 40 hrs/yr)
 - No change to vacation leave accrual rates or number of holidays

- Health and Wellness Benefits
 - No change to active employee medical benefits
 - Added ability for future employees to elect to receive cash-in-lieu of medical insurance at time of hire. Existing employees may elect to receive cash-in-lieu for a qualifying life event on a one-time basis.
- Retirement Benefits
 - No change to retiree benefits, including medical insurance
 - No change to District's contribution to active employee Retiree Health Savings Accounts
- Dental and Vision Insurance
 - Added requirement for District to obtain quotes for multiple dental and vision insurance plans in 2026
 - Potential changes to dental and vision insurance, effective January 2027, are subject to mutual agreement between District and all three bargaining units and Board authorization

- Probationary Period
 - Added ability to extend probationary period for newly-hired and promoted employees for absences of 30 days or more
 - Added ability to extend probationary period to provide an employee additional time to obtain required certifications or licenses
- Grievance and Disciplinary Process Cost
 - Added provisions to allocate cost for arbitration or an Administrative Law Judge (ALJ) hearing
 - Losing party will bear entire costs. In case of split decision, hearing officer will determine how costs are split. Cost are shared equally if no determination is made by hearing officer.

Unrepresented Employees Statutory Requirements



- Senate Bills 1436 (SB1436) and 707 (SB 707)
 - Both bills amend Government Code (GC) Section 54953
 - SB 1436 requires governing body of a local agency to present an oral report of any proposed salary and benefit changes for agency's executives in open session
 - SB 707 expanded oral report requirement to department heads or similar administrative officers of a local agency
 - Formal vote on proposed changes must be conducted in an open session at a regularly-scheduled Board Meeting
- GC Section 53243
 - Requires all new or renewed employment agreements between a local agency and its executives to contain statutorily-required language, including requiring reimbursement of any compensation paid to an executive during an investigation if the executive is convicted of a crime involving abuse of office or position

Unrepresented Employees Existing Agreements



- Executive Team is unrepresented and “at-will” through individual employment agreements with the District
 - General Manager
 - Deputy General Manager
 - Office Manager/Secretary to the Board
 - Business Services Director
 - Engineering Services Director/District Engineer
 - Resource Recovery Services Director
- Human Resources and Risk Manager is also unrepresented
- Current employment agreements for unrepresented employees were executed in compliance with GC 54953 and GC 53243

Unrepresented Employees Standard Form Agreement Updates



- Individual employment agreements provide for same terms and conditions as MA, unless explicitly stated
 - Receive same salary and benefit adjustments as MA MOU
- Proposed changes to Standard Form Employment Agreement template for Unrepresented Employees (excluding General Manager)
 - Increase administrative leave to 56 hours per year (from 40 hrs/yr)
 - Clarify vacation leave accrual rate at time of hire
 - Identify unrepresented classifications eligible to receive vehicle allowance
 - Align compensation basis with current salary schedule format

Recommended Board Actions

- Approve MOU with the MA, effective July 1, 2026
- Authorize General Manager, or his designee, to make non-substantive, clerical changes and corrections to MOU, as necessary, and in coordination with MA
- Approve revised Standard Form Employment Agreement template and authorize General Manager to execute such agreements with Deputy General Manager, Office Manager/Secretary to the Board, Business Services Director, Engineering Services Director/District Engineer, Business Services Director, Resource Recovery Services Director, and Human Resources and Risk Manager, effective June 11, 2026