



its members through a majority vote on the tentative agreement reached in bargaining with the District. The Board's approval of the tentative agreement, which is presented in this packet as the proposed MOU through June 30, 2027, will ratify the contract. Once ratified by Board approval, the terms and conditions of employment become effective consistent with the terms set forth therein. The MOU (previously referred to as the Collective Bargaining Agreement or CBA) was last negotiated in 2013.

On August 15, 2023, the Board approved a resolution adopting a 5.4% cost of living salary increase for the unrepresented District employees, which includes the managers, mid-managers and confidential employees of the District. The proposed resolution for the unrepresented District employees will adopt additional terms and conditions of employment for this group of employees consistent with the proposed MOU, with the exception of certain terms specific to managers and mid-managers, such as administrative leave time.

Staff is also proposing amendments to the current employment contracts for the General Manager and General Counsel to align terms and conditions of employment with unrepresented staff, with some exceptions.

Staff is further proposing a resolution to commence a phase out of the Employer Paid Member Contribution (EPMC), which provides for a portion of the employee's CalPERS contribution to be paid by the District. The benefit currently only applies to Division Directors and the District General Counsel, who are Classic members of CalPERS. The proposed resolution will phase out this payment over the next four years and provide offsetting salary adjustments.

The District must also provide CalPERS an updated salary schedule for all District employees.

**DISCUSSION:** The most recent agreement with SEIU Local 1021 for District represented employees was reached in June 2013, and was extended on its current terms through June 30, 2023. Given that there have been no substantive revisions to the terms and conditions contained in the MOU for the past ten years, there were many proposals exchanged in bargaining to address stale provisions and to address the interests of represented employees and the District. The District commenced formal negotiations with SEIU in April of 2023, holding numerous bargaining sessions. Included in the list of changes are updated uniform and boot allowances, clarifying holiday pay provisions for continuous operation employees, recognizing Juneteenth by providing a holiday for District employees and reaching agreement on changes to the retiree healthcare and dental benefits for new employees hired on or after January 1, 2024. The proposed MOU also sets forth cost of living increases over the next four years in an effort to keep pace with inflation and the salaries of other regional public agencies.

Of note are the proposed changes to the District's retiree healthcare and dental benefits. For District employees hired after January 1, 2024, the proposal will phase in earned benefits over a twenty-year term of employment with the District, cap the benefit received in retirement and reduce the benefit for spouses. These changes are also included in the unrepresented resolution presented for approval, providing parity for all District employees. Both the proposed MOU and unrepresented resolution will also end retirement dental coverage for new hires. These benefits better align the District with comparable agencies and will result in long-term cost savings for the District and its ratepayers.

The proposed MOU and unrepresented employee resolution provide Cost of Living Adjustments (COLA), effective the first pay period on or following July 1, 2023 , July 1, 2024, July 1, 2025 and July 1, 2026 based on the previous calendar year's (December to December) San Francisco-Oakland- Hayward metropolitan area Consumer Price Index-U (CPI-U) plus 0.75% in FY 24 and FY 25, with a minimum of 2.0% and a maximum of 5.0% per fiscal year.

The District has historically provided an EPMC benefit to its employees at varying levels. The payment of the EPMC for most District employees was phased out in 2013 following the last substantive updates to the MOU and unrepresented resolution. Currently, only Division Directors and the District General Counsel qualify for payment of the EPMC. With the approval of the proposed resolution, the District will commence phase out of any further EPMC payments for District employees, which will be offset with salary adjustments. With the adoption of the Public Employees' Pension Reform Act (PEPRA) in 2013, EPMC payments were eliminated for all but "Classic" CalPERS employees, meaning those who started working for CalPERS, and equivalent, employers prior to the adoption of the new PEPRA rules. With the phase out of any further EPMC payment, the District will achieve greater consistency among its employees and with other public agencies. A proposed resolution phasing out the EPMC is included with the staff report.

The proposed amendments to the General Manager and General Counsel Employment Contracts seek to better align these contracts with the proposed changes applicable to District management employees, including a change in the cost of living adjustment index to the same CPI-U used for all other employee group salary adjustments starting July 1, 2024 and most healthcare, dental, vision and other benefits.

Annually, the District must provide CalPERS with a current and updated salary schedule for all District employees. The proposed salary schedule is included with the staff report and includes adjusted salaries consistent adoption of all the proposed actions included in this packet.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** For all employees, SEIU and non-represented, the annualized cost increase for 2023/24 with a COLA of 5.4% and other benefit adjustments is \$1,965,981. The projected ongoing increases in FY 2024/25, 2025/26 and 2026/27 with the range of a 2% to 5% COLA are \$749,441 to \$2,025,144 annually. The one-time cost for COVID appreciation payments in FY 2023/24 is \$285,000. Funding for salary and benefit adjustments is included in the adopted operating budget for FY 2023/24 and FY 2024/25.


**ATTACHMENT(S):**

1. Tentatively Agreed Upon Memorandum of Understanding between SEIU Local 1021 and the District
2. Proposed Resolution to update terms and conditions of employment for unrepresented District employees
3. Proposed resolution phasing out the District payment of EPMC for certain District employees
4. Second Amendment to Employment Contract for General Manager
5. Second Amendment to Employment Contract for General Counsel
6. Updated Salary Schedule for all District employees

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
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General Manager

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**Vikkie Garay**  
**Human Resources Manager**



**Ben Horenstein**  
**General Manager**