MEMORANDUM OF UNDERSTANDING

between the

RAINBOW MUNICIPAL WATER DISTRICT

and the

RAINBOW EXEMPT EMPLOYEES

July 1, 2017 to June 30, 2021

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PREAMBLE

This Agreement made and entered into this 27th day of June 2017 to be effective beginning July 1, 2017 and between the Rainbow Municipal Water District, hereinafter referred to as the District, and the Rainbow Exempt Employees, hereinafter referred to as the Exempt Employees.

ARTICLE 1 RECOGNITION AND CONDITIONS

The District recognizes the Exempt Employees as representative of the unit set forth below. The General Manager agrees to meet and confer with said Exempt Employees on all matters relating to the scope of representation pertaining to the employees of said unit, as authorized by law. The recognized representation shall consist of all Exempt Employees of the District except the General Manager.

The General Manager may terminate Exempt Employee's employment, and hereby terminate this agreement, at any time. It is understood and agreed that Exempt Employees are "at will" employees. As an "at will" employee, Exempt Employee's employment may be terminated at any time and no reason need be given for such termination. In the event of such termination, Exempt Employee shall have no right to a hearing or other review of the reason for the termination by the District and Exempt Employee expressly waives any right to such a hearing or other review which may otherwise be granted by law or which may be applicable to other employees of the District. However, Exempt Employees will be entitled to severance pay as stated in Article 11.

ARTICLE 2 IMPLEMENTATION

It is agreed that this Memorandum of Understanding shall not be effective until the District Board of Directors:

1. Acts, by majority vote, formally to approve and adopt said Memorandum of Understanding;

2. Acts to budget the necessary funds required to implement the provisions of the Memorandum of Understanding which require funding;

3. Agrees to work under provisions of existing Memorandum of Understanding until a successor agreement is reached; and

4. Agreement is signed by the designated District Board of Director and ratified by a majority of Exempt Employees.

ARTICLE 3 TERM

The term of this Memorandum shall commence on July 1, 2017 and shall expire and otherwise be fully terminated at 12:00 midnight on June 30, 2021.

ARTICLE 4 NON-DISCRIMINATION

The District and the Exempt Employees mutually agree that there will be no discrimination against any employee in the application of the terms of this Agreement by reason of race, sex, age, physical or mental disability, religion, sexual orientation, gender identity, or any other category protected by applicable federal, state or local law. The District and Exempt Employees agree that the District is permitted to take all actions necessary to comply with all applicable federal, state and local laws and regulations, including but not limited to the Americans with Disabilities Act, and including all new laws and regulations enacted during the term of this Agreement, regardless of any provisions of this Agreement.

ARTICLE 5 COMPENSATION

Section 1 - Wages

Pay ranges are established in the Rainbow Municipal Water District Exempt Salary Grades. The resulting pay grade ranges are adopted by a separate action of the Board of Directors.

Effective on the first day of the first pay period that begins after July 1 of each year that this agreement is in effect, the following cost of living (COLA) adjustments will me made:

Exempt Salary Grade ranges and the base pay of all eligible employees within those ranges shall be increased by an amount equal to the 12-month percentage change in the San Diego CPI-U, Annual amount as published by the Bureau of Labor Statistics from the previous calendar year, with the following restrictions:

- The minimum increase shall be no less than 1%.
- The maximum increase shall be no more than 3%

The following example illustrates how the COLA adjustment would be calculated:

- 2015 Annual San Diego CPI-U: 269.436
- 2016 Annual San Diego CPI-U: 274.732
- The 2016 Annual CPI-U is 2% higher than the 2015 Annual CPI-U, so the COLA adjustment effective in July 2017 would be 2%.

Section 2 - Merit Increases

All employees whose base pay rate has not reached the maximum of their position's Exempt Salary Grade shall be eligible for consideration for a merit increase after one year of employment and each year thereafter.

Merit awards will be calculated by averaging the merit award percentage that corresponds with the score in each Performance Factor of the Annual Performance Review, per the following matrix:

Exceptional	7%
Above Satisfactory	4%
Satisfactory	1.5%
Needs Improvement	0%
Unsatisfactory	Disqualified

Employees who receive an Unsatisfactory rating in any Performance Factor, or who are on a Performance Improvement Plan, will not be eligible for a merit increase.

The following examples illustrate how a merit award is calculated:

EXAMPLE 1

Performance Factors	**Exceptional**	**Above Satisfactory**	**Satisfactory**	**Needs Improvement**	**Unsatisfactory**	**Merit Percentage**
Factor 1	X					7%
Factor 2	X					7%
Factor 3		X				4%
Factor 4		X				4%
Factor 5			X			1.5%
Factor 6			X			1.5%
OVERALL RATING	**Above Satisfactory**					**4.2%**

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EXAMPLE 2

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Percentage
Factor 1		X				4%
Factor 2			X			1.5%
Factor 3			X			1.5%
Factor 4			X			1.5%
Factor 5				X		0%
Factor 6				X		0%
OVERALL RATING	**Satisfactory**					**1.4%**

Section 3 – <u>One-Time Lump Sum Awards</u>

When an employee's pay rate is at the top of their position's Exempt Salary Grade, the employee will be not be eligible for a base pay merit increase. However, the employee may be eligible for a lump sum merit award based on his or her ratings on the Annual Performance Review.

Lump sum merit awards will be calculated by averaging the merit award percentages that correspond with the score in each Performance Factor of the Annual Performance Review, per the following matrix:

Exceptional	7%
Above Satisfactory	2.5%
Satisfactory	0%
Needs Improvement	0%
Unsatisfactory	Disqualified

Employees who receive an Unsatisfactory rating in any Performance Factor, or who are on a Performance Improvement Plan, will not be eligible for a lump sum merit award.

The following examples illustrate how a merit award is calculated:

EXAMPLE 1

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Percentage
Factor 1	X					7%
Factor 2	X					7%
Factor 3		X				2.5%
Factor 4		X				2.5%
Factor 5			X			0%
Factor 6			X			0%
OVERALL RATING	**Above Satisfactory**					**3.2%**

EXAMPLE 2

Performance Factors	Exceptional	Above Satisfactory	Satisfactory	Needs Improvement	Unsatisfactory	Merit Percentage
Factor 1		X				2.5%
Factor 2		X				2.5%
Factor 3			X			0%
Factor 4			X			0%
Factor 5				X		0%
Factor 6				X		NA
OVERALL RATING	**Satisfactory**					**.8 %**

Section 4 - Out of Class Pay

The General Manager shall have discretion to assign Out of Class Pay of up to 10% when an exempt employee is specifically assigned in writing to perform the duties of a higher level position for a position at a higher pay grade for more than two full pay periods.

Section 5 – Retirement Notice Bonus

To encourage and reward advance notice of an employee's intent to retire, the District will pay a $500 Retirement Bonus for employees who give more than six months' notice of the intended retirement date in writing. For employees who give one full year's notice in writing, the District will pay a $1,000 bonus.

The bonus shall be paid on the employee's last day worked, provided the actual date is within one month of the date given in the Notice of Intent to Retire.

Section 6 –Standby Pay

The Superintendent or Manager assigned to Standby for the weekend shall receive a stipend of $100 per weekend to remain available to report to work in response to operational needs within a reasonable time frame, generally within one hour or as soon as possible. Only one person will be eligible for Standby Pay per weekend.

ARTICLE 6 EMPLOYEE BENEFITS

SECTION 1 Medical, Dental and Vision Insurance

Medical Health Care Insurance:

The District shall offer affordable group medical, dental, and vision insurance plans to all full-time employees. The amount the District contributes towards the cost of the insurance premiums will vary based on which health plan and which coverage tier the employee selects. pay for employees' individual and dependent group health, dental and vision insurance as follows:

Due to the possible volatility of the health insurance market, the District and Rainbow Exempt Employees agree that certain circumstances may warrant renegotiating the terms of this Section of this Article before this contract expires. The following circumstances may trigger a renegotiation of this Article:

- If the health plans the District offers become unavailable due to factors outside the District's control;
- If premium costs for an offered plan increase by more than 20% in a single year;
- If the District and Rainbow Exempt Employees both desire to seek comparable plans with lower premium costs from other insurance carriers.

If any of these conditions occur, the District will notify Rainbow Exempt Employees in writing of the District's intent to renegotiate this Section of this Article no later than August 15 for changes to be effective in the following plan year.

EMPLOYEE ONLY COVERAGE

Beginning with the 2018 plan year that begins January 1, 2018, the District will pay 100% of the premium costs for employee-only coverage, up to the amount of the Anthem HMO employee-only rate. If the employee selects a higher cost plan, then the employee will contribute the difference through payroll deductions.

For example, if the HMO premium for employee-only coverage is $700 per month, and the employee enrolls in plan with premiums of $800 per month, then the employee would contribute $100 per month through two payroll deductions of $50 each.

DEPENDENT CARE COVERAGE

Dependent Care Coverage on Anthem Plans

Beginning with the 2018 plan year that begins January 1, 2018, the District will pay 82% of the total premium costs for the Employee + 1 or Family coverage tiers, up to a maximum of 82% of the HMO premium rates for those tiers. If the employee selects a higher cost plan, then the employee will contribute the difference through payroll deductions.

The employee will contribute 18% of the total premium costs for the Employee + 1 or Family coverage tiers for the HMO or lower cost plans.

The following example illustrates how dependent care coverage will be calculated for Anthem plans (note these are not actual premium rates, only sample calculations):

Anthem Plan	Monthly Premium	District Contribution (82% up to HMO max)	Employee Contribution (18%)	Payroll Deduction (2x per month)
Classic PPO	$1,750	$1,148 (HMO max)	$602	$301
CalCare HMO	$1,400	$1,148	$252	$126
Consumer Driven Health Plan (CDHP)	$1,300	$1,066	$234	$117

Dependent Care Coverage on Kaiser Permanente Plans

Beginning with the 2018 plan year that begins January 1, 2018, the District will cover 100% of the premium costs for employees and dependents enrolled in the Kaiser Consumer Driven Health Plan (CDHP).

For employees who enroll dependents in the traditional Kaiser HMO plan, the District will contribute up to $3,000 per year above the annual premium rate for the Kaiser CDHP plan.

The following example illustrates how dependent care coverage will be calculated for Kaiser plans (note these are not actual premium rates, only sample calculations):

Kaiser Plan	Annual Premium	District Annual Contribution	Employee Annual Contribution	Payroll Deduction (2x per month)
HMO	$13,080	$12,000	$1,080	$45.00
CDHP	$9,000	$9,000	None	None

Health Savings Accounts

Employees who elect to enroll in either the Anthem or Kaiser Consumer Driven Health Plans will be eligible to enroll in tax-exempt Health Savings Accounts. Health Savings Accounts may be used to pay for out of pocket medical expenses including copays, prescriptions, and other qualifying expenses per IRS regulations.

On the first banking day of the calendar year, the District will make deposits into the Health Savings Accounts on behalf of the eligible employees. The amount the District will fund depends on the employee's plan and coverage tier, as follows:

Plan Selected	Amount Funded into HSA		
	Employee Only	Employee + 1	Family
Anthem CDHP	$1,500	$2,600	$2,600
Kaiser CDHP	$1,500	$3,000	$3,000

Employees may elect to contribute additional funds into their Health Savings Accounts through payroll deductions, up to the IRS annual contribution limits.

Dental and Vision Insurance:

The District will cover 100% of the dental insurance premium for employees and 82% of the total premium for dependents. For example, if the premium for family coverage is $100, then the District will cover $82 and the employee will contribute $18 per month, which would be deducted in two payroll deductions of $9 each.

Section 2 Retirement Health Care Contribution

Exempt Employees hired before July 1, 2012 will be eligible for Retirement Medical Contributions.

Upon retirement at age 50 or older and with a minimum of ten (10) years of continuous service with the District, the District agrees to reimburse eligible retired employees and their retired spouses for part of the cost of health and dental insurance plans. The District's contribution will be $363.00 per month for the retired employee or $726.00 per month for the retired employee and retired spouse until each reach their respective ages for full Medicare coverage. If the retired employee or retired spouse reaches the eligible age first, the premium contribution for the retired employee or retired spouse will be $363.00

per month until reaching the eligible age. The assistance period for either will be for a maximum of ten (10) years.

Employees hired after July 1, 2012 will not be eligible for Retirement Health Care Contributions.

Section 3 Deferred Compensation Matching Programs

457(b) PLAN

The District will provide a dollar-for-dollar matching program of up to $100.00 per pay period per employee into a 457(b) retirement savings account. The employee may contribute additional unmatched funds through payroll deductions, subject to IRS rules.

401(a) PLAN

The District agrees to establish a 401(a) retirement savings account as a means to assist employees in saving for retirement medical or other retirement expenses. The District will fund the 401(a) accounts as follows:

Employees hired between July 1, 2012 and December 30, 2017 will receive a one-time deposit of $4,350 for each year of service the employee has completed before and January 1, 2018.

For Exempt employees hired after July 1, 2012, the District will match employee contributions to the 401(a) account per the following terms:

0 – 5 years of service:	$35 per pay period
5-10 years of service:	$75 per pay period
10-20 years of service:	$125 per pay period
Over 20 years of service:	$170 per pay period

The District's initial deposit and matching funds will be tax deferred, and will become vested per the following vesting schedule:

1 year of service = 20% vested
2 years of service = 40% vested
3 years of service = 60% vested
4 years of service = 80% vested
5 years of service = 100% vested

If an employee leaves the District's employment before the District's contributions to the 401(a) account have become 100% vested, then the unvested funds will be forfeited and returned to the District.

Employee contributions to the 401(a) account will be on a post-tax basis, and the employee may contribute additional funds subject to IRS annual limits.

Exempt employees hired before July 1, 2012 will not be eligible to participate in the 401(a) matching program. Instead, they will be eligible for the Retirement Health Care Contribution program. No employee may participate in both programs.

Section 4 – Life and Disability

The District shall pay for Exempt Employees' life, short and long term disability, unemployment, and workers compensation insurance.

Section 5 – Public Employees' Retirement System

The District participates in the California Public Retirement System (CalPERS). All employees hired at the District before January 1, 2013 are under the CalPERS miscellaneous formula of 2.5% @ 55 with the one (1) year final compensation period used to calculate retirements and the employees contribute the 8% of their annual salary.

A full time new employee hired on or after January 1, 2013 will be subject to the Public Employees Pension Reform Act (PEPRA).

A new employee who is also a "New Member" to CalPERS will participate under the mandatory miscellaneous formula of 2% @ 62 with the three (3) year final compensation period use to calculate retirements and the employee contributes 50% of the normal cost established by CalPERS as outlined in the Public Employees' Pension Reform Act of 2013 (PEPRA).

Pursuant to the PEPRA, a "New Member" is defined as:

1. An individual who is hired on or after January 1, 2013 and has no prior membership in any California public retirement system
2. An individual who is rehired by a different CalPERS employer on or after January 1, 2013 after a break in service greater than six (6) months
3. An individual who is brought into CalPERS membership for the first time on or after January 1, 2013 and who is not eligible for reciprocity with another California public retirement system

If a former CalPERS eligible employee of the District has a break in service of more than six (6) months but returns to service with the same District, the former employee **will not** be considered a new member pursuant to PEPRA.

Section 6 - Tuition Reimbursement Program

The District shall refund 80% of tuition fees and educational material costs incurred by Exempt Employees up to a maximum of $5,250 per calendar year for approved courses of study approved by the General Manager. Exempt Employees are required to submit applications to the General Manager for approval of courses before starting courses for which educational assistance is requested.

The District will reimburse fees for education, training or workshops related to the employee's profession, or required for obtaining contact hours or continuation units for certifications and any educational material costs incurred by Exempt Employees for approved courses of study. Courses must be completed with a "C" grade or higher, a "pass" for courses where a pass/fail grading system is used or a certificate of completion.

Section 7 – Dependent Care Flex Accounts

By January 1, 2018, the District shall establish a qualified Flexible Spending Account (FSA) for Dependent Care expenses in accordance with IRS regulations. The FSA is an employee funded pre-tax benefit account used to pay for dependent care services, such as preschool, summer day camp, before or after school programs, and child or elder daycare.

ARTICLE 7 PAID TIME OFF

Section 1 – PTO Accrual Rates

Paid Time Off shall be granted to each Exempt employee and shall be accrued as follows:

Length of Service	Accrual Rate Per Pay Period	Annual Accrual Equivalent	Maximum Accrual
0 -3 years	9.23 hours	240 hours	480 hours
3 years and above	10.77 hours	280 hours	560 hours

Employees may accumulate Paid Time Off up to a maximum of two times the employee's annual entitlement. Upon reaching the maximum accrual, PTO hours will no longer accrue until the employee uses PTO hours to bring their balance under the maximum.

If a PTO Leave request has been previously approved by the District, and through no fault of the employee the leave request is cancelled by the District and an employee reaches the maximum accrual, then the District will compensate the employee for additional hours accumulated beyond the maximum accrual until the requested leave can be granted.

Section 2 – Paid Time Off Buyback

"Employees may cash out accrued paid time off (PTO) of a minimum of 40 hours once per year with the following stipulations:

- An IRREVOCABLE request must be completed and submitted during the month of December for cashing out PTO on the last pay period in January of the following year.
- The irrevocable request may not exceed 280 hours.
- Employee must have taken at least 80 hours cumulative leave (PTO) between

December 1st of the previous year and November 30th of the current year.

- Employee must maintain a minimum balance of 80 hours of accrued PTO.
- A request to cash out accrued PTO due to reasons of hardship may be made at any time. The hardship request must be approved by the general manager and is subject to the unforeseeable emergency definitions of the internal revenue code. (Title 26, section 1.409a-3).

In the event the IRS changes their regulations pertaining to this policy, the District will meet and confer with the bargaining unit to determine how to manage the impact of the regulatory changes.

Section 3 - Payment at Termination

Upon separation from the District, all Exempt Employees will be paid 100% of their accumulated Paid Time Off balance at the employee's present rate of pay.

Section 4 - Civic Duty Leave

RMWD recognizes and supports its employees' participation in civic activities such as jury duty, appearing in court as a witness, and serving as a reservist in the United States military.

When an employee is under orders to report for jury duty, to act as a witness, or for military reservist training, the District will pay for up to ten working days of Civic Duty Pay per calendar year except as otherwise required by law. Compensation will be at the employee's regular wage rate, less any fees received from the court or compensation from the military for their service during those two weeks. In no event shall double pay to the employee result from civic duty. Civic duty service falling on a District holiday or employee's regularly scheduled day off is not payable as Civic Duty Pay. The District will not compensate the employee for mileage or meal expenses unless the employee is testifying on a District-related matter.

If an employee is serving as a juror for an extended period, and has exhausted Civic Duty Pay, the employee will be required to use other forms of paid leave, such as PTO, Compensatory Time, or Holiday Bank. However, if the employee has already used 40 hours of PTO time for the jury service and continuing to use PTO would cause the employee's PTO balance to fall below 80 hours, the District will resume paying Civic Duty Pay. Each employee will be eligible for this extended Civic Duty Pay no more than one time for the term of this agreement.

The employee must present the notification to appear for Jury Duty or military duty to his/her Supervisor as soon as it is received. If a deferment is deemed necessary after consulting with the employee's supervisor, the employee should then request a letter be sent to the Jury Commissioner stating the reason(s) for deferment.

During the period of Civic Duty Leave, employees are expected to report either to their assigned work at the District or to the court or military during working hours. It is the responsibility of the employees on Civic Duty Leave to advise their

immediate supervisors of their jury duty schedule, which includes starting and ending on a daily basis.
Employees are not eligible for Civic Duty Leave when the employee is a party to the litigation or an expert witness. Employees should see Human Resources if they have questions about the Civic Duty Leave policy.

Section 5 Holidays

The District will provide 12 paid holidays as defined in the Employee Handbook. Whenever a designated holiday falls on a Sunday, the holiday will be observed on the following Monday. Whenever a designated holiday falls on a Saturday, the holiday will be observed on the preceding Friday.

If a holiday falls on an employee's regularly scheduled Friday off, then 8 hours of Holiday Bank will be credited to the employee for that day at the beginning of the fiscal year (July 1) to be available for use before the end of the fiscal year (June 30). Any Holiday Bank hours not used by the end of the fiscal year will be forfeited. Holiday Bank hours will not be cashed out at termination of employment.

ARTICLE 8 – DISTRICT REPRESENTATIVES OF EMPLOYEES AND MANAGEMENT

The District shall establish a committee of District Representatives of Employees and Management (referred to as the DREAM team). The DREAM team shall include two representatives from each bargaining unit, the Human Resources Manager, and one other member of the management staff. The purpose of the DREAM team will be to:

- Annually review and possibly negotiate changes to the Amendments to the MOUs in accordance with the terms in the related Article(s).
- Mutually Meet and Confer in Good Faith to endeavor to reach agreement on any matters within the scope of representation that may arise during the term of this MOU.
- The DREAM team will meet during regular work hours with no loss of compensation for any participants.

ARTICLE 9 – UNIFORMS

In the interest of presenting a professional image to the public, and to allow members of the public to easily identify District employees, the District will establish a Uniform program for certain positions. The details of the Uniform program will be outlined in an Addendum to this agreement and may be updated annually by mutual agreement of the District and Rainbow Exempt Employees.

ARTICLE 10 - SAFETY FOOTWEAR

Employees whose jobs may require exposure to work in the field requiring ANSI approved safety footwear are eligible for reimbursement not to exceed $200.00 per fiscal year. The safety footwear allowance covers footwear that meet the approved ANSI standards for the steel/composite toe protection and may also include comfort inserts. If an eligible employee needs replacement safety footwear before the fiscal year ends, due to heavy wear and tear, with approval from the Human Resources Manager or designee, they can be reimbursed for the replacement to ensure they are protected. Employees must submit a receipt of purchase and proof of ANSI compliance to be eligible for reimbursement. Exempt Employees must have the shoes available for wear during work hours.

ARTICLE 11 SEVERANCE PAY

If terminated, Exempt Employee shall be entitled to compensation equal to 120 calendar days (8.6 pay periods) of the employee's current base compensation which will be paid in consecutive equal installments over the 120 days (8.6 pay periods).

Intent: Current base compensation is defined as regular rate of pay Exempt Employee is receiving as outlined on the current Personnel Action Notice form on file with the District at time of termination/layoff.

In addition to the severance pay, The District shall pay for COBRA continuation coverage during the first four (4) months following termination (EAP, medical, dental and vision) provided the Exempt Employee requests coverage for such period. The District will also pay Exempt Employee the equivalent of 120 days' worth of the Employee's group life insurance premium provided the Exempt Employee submits proof of insurance and proof of premium payments to the District to assist employee in purchasing individual group life insurance following termination of employment.

Employee's right to receive the severance pay set forth above is conditioned upon the Exempt Employee executing a release of claims against the District. However, no Exempt Employee is entitled to any of the severance benefits provided in this Article if the Exempt Employee's termination is due to egregious conduct including, but not limited to, assault, battery, harassment, reporting to work under the influence of drugs or alcohol, theft, embezzlement, or other illegal activity.

ARTICLE 12 ME-TOO CLAUSE

During the term of this MOU, if the District provides any other bargaining units a COLA adjustment higher than this Agreement then the District shall adjust the difference contained in this Agreement so that they are equal to the percentage salary granted to employees in the other bargaining units. Such adjustments shall be effective at the time the salary adjustment is granted to the employees in the other bargaining units. In addition, the District shall adjust the Medical Insurance provisions contained in this Agreement so that they are equal to the Medical Insurance provisions contained in the other bargaining units' agreement.

ARTICLE 13 RENEGOTIATIONS

In the event that the Exempt Employees and the General Manager desires to negotiate the provisions of a successor Memorandum of Understanding, said party shall serve upon the other not later than January 15, 2021 its written request to commence negotiations. Upon receipt of such written notice and proposals, meet and confer shall begin no later than February 15, 2021 unless written notice is given by either party and agreed to by the other party prior to February 15, 2021 agreeing to an alternate starting date. Target date for completion of negotiations is June 14, 2021.

ARTICLE 14 MODIFICATIONS, WAIVER

No agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto and, if required, approved and implemented by the District's Board of Directors. The waiver of any breach, term or condition of the Memorandum of Understanding by either part shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 15 PROVISIONS OF LAW

This Memorandum of Understanding is subject to all current and future applicable federal, state and local laws. If any part or provision of the Memorandum of Understanding is in conflict or inconsistent with such applicable provisions of federal, state or local laws or regulations, or is otherwise held to be invalid or unenforceable by a tribunal of competent jurisdiction, such applicable law or regulations, and the remainder of the Memorandum of Understanding shall not be affected thereby.

ARTICLE 16 DISTRICT RIGHTS

It is understood and agreed that the District possesses the sole right and authority to operate and direct the Exempt Employees of the District and its various departments in all aspects, including, but not limited to, all rights and authority exercised by the District prior to the execution of this Agreement. These rights include, but are not limited to:

1. The right to determine its mission, policies, and to set forth all standards of service offered to the public;
2. To plan, direct, control and determine the operations or services to be conducted by Exempt Employees of the District;
3. To determine the methods, means, number of personnel needed to carry out the District's mission;
4. To direct the working forces;
5. To hire and assign or to transfer employees within the departments;
6. To promote, suspend, discipline or discharge;
7. To lay off or to relieve employees due to lack of work or funds or for other legitimate reasons;

8. To make, publish and enforce rules and regulations;

9. To introduce new or improved methods, equipment or facilities;

10. To take any and all actions as may be necessary to carry out the mission of the District in situations of civil emergency as may be declared by the President of the Board of Directors or the General Manager; provided that no right enumerated herein shall be exercised or enforced in a manner contrary to or inconsistent with the provisions of this Agreement.

The Board of Directors has the sole authority to determine the purpose and mission of the District and the amount of budget to be adopted thereto.

ARTICLE 17 ENTIRE AGREEMENT

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understanding and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement.

Therefore, the District and the Exempt Employees, for the duration of this Agreement, each voluntarily and unqualifiedly waives the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to, or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement. This Agreement may only be amended during its term by the parties' mutual agreement in writing.

Approved by the Board of Directors of the Rainbow Municipal Water District and the Rainbow Exempt Employees on June 27, 2017.

Date: Jun 27, 2017

Helene Brazier, Board President
RAINBOW MUNICIPAL WATER DISTRICT

Date: Jun 27, 2017

Marc Walker, Exempt Employee Negotiator
RAINBOW EXEMPT EMPLOYEES