

FACTFINDING REPORT AND RECOMMENDATIONS

IN THE MATTER OF THE FACTFINDING BETWEEN

TWENTY NINE PALMS WATER DISTRICT

AND

**AMERICAN FEDERATION OF STATE, COUNTY & MUNICIPAL
EMPLOYEES, LOCAL 1902**

PERB CASE NO. LA-IM-108-M

Following are the Recommendations of the Factfinding Panel. The Chair of the Panel was appointed by the Parties per the letter from the Public Employment Relations Board of September 18, 2012, received by the Chair several days later.

1. Term of Contract: Four years, 4/1/2012 through 3/31/2016

2. Changes to Rates of Pay and their Related Salary Ranges - with offset:

a) Over the four years of this agreement, employee increases shall be effective in a range of 8.1%-14.1%, calculated as follows:

Effective April 1, 2012 all pay rates and related salary ranges will increase by 2.1%; effective March 31, 2013 all pay rates and related salary ranges will increase by the change in the Consumer Price Index as measured by the preceding January's Dept. of Labor CPI report but shall be further limited to a minimum of a 2% increase and a maximum of a 4% increase; effective March 30, 2014 all pay rates and related salary ranges will increase by the change in the Consumer Price Index as measured by the preceding January's Dept. of Labor CPI report but shall be further limited to a minimum of a 2% increase and a maximum of a 4% increase; effective March 29, 2015 all pay rates and related salary ranges will increase by the change in the Consumer Price Index as measured by the preceding January's Dept. of Labor CPI report but shall be further limited to a minimum of a 2% increase and a maximum of a 4% increase.

b) To gradually implement cost effectiveness for PERS contributions by the district and employees, employees shall pay a portion of their salaries to be implemented as follows: January 1, 2013, each employee shall pay 2% towards the employee contribution to PERS; January 1, 2014, each employee shall pay an additional 2% towards the employee contribution to PERS for an effective rate of 4%; January 1, 2015, each employee shall pay an additional 2% towards the employee contribution to PERS for an effective rate 6%; January 1, 2016, each

employee shall pay an additional 2% toward the employee contribution to PERS for an effective rate of 8%.

[It is the employees' position that the District's Last, Best, and Final Offer did not include an employee contribution beyond the length of the four (4)-year contract (see language of Last, Best, and Final Offer); and that bringing this term and condition for the first time to the fact-finding process is potentially bad-faith regressive bargaining. Rather, the employees understood that once the 8% had been assessed through discounted CPI-based Cost of Living Adjustments (COLAs) at 2% per year over the 4-year contract, the District would continue to pay the employees' 8%. Assuming an employee COLA of 2% put in one pocket and taken out the other under the Districts' new Offer, coupled with the increased contribution to family medical, the employees' ability to maintain even the 2012 standard of living would be greatly diminished. – (Addendum to this section 2b) by the Union-Appointed member of the Factfinding Panel]

(The District-Appointed member of the Panel disagrees with the above parenthetical statement, but nonetheless will let it stand in the interests of the whole Panel submitting a Unanimous report rather than a Majority-Minority Report)

3. Paid Vacations: Effective upon membership acceptance of this Offer, the schedules specifying the amount of paid leave accrued by employees each month shall be changed whereby the last accrual step is eliminated and accordingly no employee shall accrue more than 16 hours per month.

4. Requirement for Employees to Maintain a Current Commercial Driver's License: Effective upon membership acceptance of this Offer the requirement for all employees to obtain and maintain a valid commercial driver's license shall be changed to exclude any employee who is employed and classified as a Treatment Plant Operator. This exclusion does not relate to employees who are classified in a position other than Treatment Plant Operator but who work in that capacity on a part-time or as needed basis.

5. Employee Contributions for Medical Benefits: Effective April 1, 2013, the District will pay 100% of the cost of medical benefits for active employees and 72.50% of the cost of medical benefits for qualified dependents of the active employee; effective April 1, 2014, the district will pay 70% of the cost for the qualified dependents. The employee shall pay the remaining portion of the dependent coverage.

6. Medical Benefit Eligibility for Employees Retiring: Effective January 1, 2013, the age of a retiring District employee who otherwise qualifies for retirement medical benefits shall be 10 years prior to the date that the employee becomes eligible for Medi-Care and/or Medi-Cal benefits. However, if after an employee retires, the eligibility age for that retired employee to

participate in Medi-Care and/or Medi-Cal benefits changes, that retired employee shall not lose their retirement benefits as a result of any such change and he or she shall continue to receive retirement medical benefits until he or she becomes eligible for Medi-Care and/or Medi-Cal benefits.

7. Medical Benefits for Retired Employees: Effective upon membership acceptance of this Offer, Section 6.6.3 of the MOU will be amended to reflect that employees who retire during the term of this MOU shall be required to pay 27.5 % of the monthly medical premiums for the retiree's spouse, effective April 1, 2013, and shall be required to pay 30% of the monthly medical premium for the retirees' spouse, effective April 1, 2014.

8. The parties agree to conduct a collaborative classification/compensation/benefits study of bargaining unit positions to be completed by June 30, 2014. The methodology for conducting the study will be developed by mutual consent of the parties.

9. Except as noted above, the terms and conditions of the 2009-2012 MOU would remain unchanged.

The above Report and Recommendations are submitted now by the Factfinding Panel in the hope that the parties will either adopt the Recommendations or use them as the basis for final negotiations towards a complete Agreement.

Respectfully Submitted,

Philip Tamoush, Chair

/s/ Wayne Jones

Wayne Jones, Member

/s/ Michael Milliner

Michael Milliner, Member

cc: Wendi L. Ross, Deputy General Counsel, PERB

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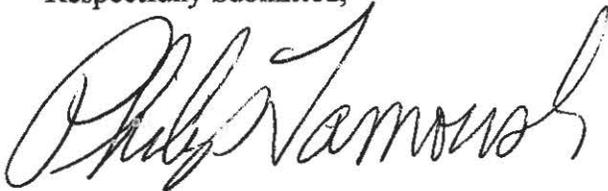
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Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Philip Tamoush". The signature is fluid and cursive, written over a white background.

Philip Tamoush, Chair

/s/ Wayne Jones

Wayne Jones, Member

/s/ Michael Milliner

Michael Milliner, Member

cc: Wendi L. Ross, Deputy General Counsel, PERB