

**SIDE LETTER AGREEMENT AMENDING
THE JULY 1, 2021 TO JUNE 30, 2026
MEMORANDUM OF UNDERSTANDING BETWEEN
THE ORANGE COUNTY WATER DISTRICT ("DISTRICT")
AND THE ORANGE COUNTY WATER DISTRICT EMPLOYEES ASSOCIATION
("OCWDEA")**

The Orange County Water District ("District") and the Orange County Water District Employees Association ("OCWDEA"), having previously negotiated and executed a Memorandum of Understanding for the period July 1, 2021 to June 30, 2026 ("MOU"), do hereby agree and adopt this side letter agreement ("Side Letter Agreement") which amends Articles III, IV, and VI. The District and the OCWDEA hereby agree as follows:

1. Article III – Compensation

Effective July 1, 2023, all employees covered by this agreement shall receive a base salary increase of four percent (4%). Effective July 1, 2024, all employees covered by this agreement shall receive a base salary increase of four and a half percent (4.5%). Effective July 1, 2025, all employees covered by this agreement shall receive a base salary increase of four and a half percent (4.5%). Said adjustments shall be made to the current salary schedule and will be updated and posted on the District's website.

2. Article IV – Health Insurance

Eliminate the following provisions of the MOU:

- o Effective January 1, 2024, increase the District's contribution by up to \$265 per month per benefit level or 100% of the premium rate increase, whichever is less.
- o Effective January 1, 2025, increase the District's contribution by up to \$275 per month per benefit level or 100% of the premium rate increase, whichever is less.
- o Effective January 1, 2026, increase the District's contribution by up to \$285 per month per benefit level or 100% of the premium rate increase, whichever is less.

Effective January 1, 2024 and for the remaining term of the current MOU, the District agrees

to the following monthly premium cost share on the medical plans:

- o Employee Only – District 100%, Employee/Retiree 0%
- o Employee + 1 Dependent = District: 95%, Employee/Retiree: 5% (if the current cost share exceeds this, the cost share will not be decreased)
- o Employee + 2 or More Dependents – District: 95%, Employee – 5%

With the expiration of the MOU and this Side Letter Agreement on June 30, 2026, the parties agree to revert back to the previous premium cost share in place, increasing the District's contribution by up to \$285 per month per benefit level or 100% of the premium rate increase, whichever is less. In the event the MOU expires without a successor agreement in place, the parties understand and agree that this premium cost share will be considered the status quo.

3. Article VI – 457(b) Deferred Compensation Employer Match

Effective July 1, 2023, and only for the term of this Agreement, the District will match each employee's voluntary contribution to the OCWD 457(b) Deferred Compensation Plan, up to a maximum of \$125 per pay period (\$3,250/year) for the remaining three years of the MOU.

This Side Letter Agreement contains the entire agreement between the parties related to the changes indicated above for Articles III, IV and VI. The terms of this Side Letter Agreement have been reached by the parties after negotiations and fulfillment of all legally required meet and confer obligations. Except as specifically provided herein, no other term or condition of the MOU is modified or amended by this Side Letter Agreement.

ORANGE COUNTY WATER DISTRICT
EMPLOYEES ASSOCIATION

ORANGE COUNTY WATER
DISTRICT

By _____
Veronica Rodarte

By _____
Stephanie Dosier

Date _____

Date _____