MEMORANDUM OF UNDERSTANDING

BETWEEN AND FOR

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

AND THE

OPERATING ENGINEERS LOCAL UNION NO. 3

Non-Supervisory

July 1, 2013 through and including June 30, 2014

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AGREEMENT
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
And
OPERATING ENGINEERS LOCAL UNION NO. 3

THIS AGREEMENT is by and between INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, hereinafter called the "Employer," and OPERATING ENGINEERS LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO, hereinafter called the "Union."

WITNESSETH

WHEREAS, the Employer desires to enter into an Agreement in order to assist the Employer to obtain competent and efficient workmen, to stabilize conditions of employment, and to foster and maintain harmonious relationships between Employer and its Employees.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. RECOGNITION

1.1 Employer recognized the Union as the sole and exclusive agent of its full-time permanent trades and maintenance employees in the utility, fleet and buildings divisions, excluding all supervisory personnel, and excluding all temporary, part-time, and seasonal personnel.

2. SUBORDINATION

2.1 It is understood that Employer is a quasi-municipal corporation organized under the provisions of NRS Chapter 318. This Agreement is subject to any applicable provisions of Nevada laws that govern general improvement districts. Any provision of this Agreement in conflict with the laws governing general improvement districts shall be considered null and void.

3. NON-DISCRIMINATION

3.1 No Employee shall be discriminated against by the Employer, the Union, or the Employees because of sex, race, color, religion, age, disability, sexual orientation, or national origin.

4. SHIFTS, HOURS, OVERTIME AND WORKING CONDITIONS

4.1 A shift shall be defined to be forty (40) hours comprised of from eight to ten hours per day consecutively totaling forty hours. By mutual agreement, of the Incline Village General Improvement District & Operating Engineers, the Employee may work a different schedule provided the total hours shall not exceed forty (40) hours in any scheduled work week. In the event the starting time is changed, the Employer will notify the Union and if there is any disagreement, it shall be subject to the Grievance Procedure of this Agreement.

4.2 All authorized overtime in excess of the scheduled day shift as defined above in Section 4.1, or forty (40) hours in any one week shall be paid at the rate of time and one-half (1-1/2) and shall be calculated on an hourly basis, with the exception of the holidays set forth in Section 5 of this Agreement. Overtime is paid in 15 minute increments.

4.3 Employees not paid when laid off or discharged will be paid for waiting time as per State law.

4.4 The Employer shall furnish uniforms, rain gear, boots and hip boots which employees shall wear during working hours. Employees shall be responsible for keeping uniforms clean and neat. Upon termination, employees shall return all gear issued to them to the Employer.

4.5 All Employees will be entitled to all applicable contagious disease control shots, if so desired, at no cost to the Employee.

4.6 Employer will endeavor to distribute the overtime equally.

4.7 If the Employee is in a higher classification and is required to work on snow removal, Employee shall be paid in his higher classification.

4.8 If an Employee is required to return to work outside his regularly scheduled work period, Employee shall be paid for a minimum of two (2) hours. If there is such a requirement more than once in any eight consecutive hours, only the first such "call-out" shall be for the minimum of two hours; all others shall be at the actual time required. All such time shall be paid at one and one-half (1-1/2) times the regular hourly rate of the Employee. Time shall be computed from the time the Employee leaves their place of residence until their return to that place of residence, unless for any reason part of the time is spent in personal pursuits, and in such cases that time spent in those personal endeavors would be deducted.

4.9 An Employee shall be compensated for a minimum of two (2) hours if Employee reports for work at the designated time the work shift commences and if Employee is ready, able, and willing to begin their work shift. The Employer must notify the Employee at least one (1) hour prior to the commencement of the work shift if conditions are such that no work will be required that day. It will be the Employee's responsibility to provide a telephone number to the District which will be the only one used to notify the Employee that no work will be performed during that work shift.

4.10 Certain personnel may be assigned standby duty and shall be compensated at the following rates, per day:

Effective July 1, 2013 Employees assigned Standby and Snow Watch shall be compensated as the following rates, per day:

Type	Per Diem	Days Applicable
Emergency Standby/	$55.00	Weekdays
Lead Snow Watch	$105.00	Weekends and Holidays
Snow Watch	$31.22	Weekend and Holidays
Snow Watch	$15.00	Monday through Friday

4.11 Employees on emergency standby will use their best efforts to respond to the maintenance shop, treatment plant, or site of the emergency within thirty minutes, regardless of weather or snow conditions. An Employee shall be compensated at the rate paid other District employees per mile for the round trip from place of residence to work when responding to a call-out. Employees of Incline Village General Improvement District may be permitted to take a District vehicle home during the standby period at the option of the District, provided the employee resides within 30-minute response time.

4.12 All Employees shall be available for standby assignments. When designated for standby, an Employee may arrange for a qualified substitute Employee, acceptable to Employer, to fill the assignment. The Employee who is originally responsible for the standby duty will notify Employer of the substitution in advance.

4.12.a Emergency Standby (aka "On-Call") shall entail one member of the plant crew and one member of the pipeline crew 24 hours per day, 7 days per week. The Employer shall maintain an appropriate housing unit to be used by "on-call" personnel if they reside outside of a 30-minute response time area (i.e. Carson City, Carson Valley, Truckee Meadows, etc.) at no cost to the personnel.

4.12.b Lead Snow Watch/Snow Watch Standby (aka "Snow Watch) Lead Snow Watch shall entail one member of the utility crew who is responsible to monitor the weather (i.e. checking depth of snow fall, calling operating divisions such as ski for snow reports, etc.) while residing in Incline Village/Crystal Bay/Kings Beach. Snow removal operations when snow accumulation on Employer vehicular use areas reach predetermined limits or when requested by operating division personnel responsible for managing said vehicular use areas shall be compensated in accordance with normal requirements contained in Section 4.10. Snow Watch Standby shall be assigned by the Utility Superintendent based on the reasonable probability that snowfall (including hail or sleet) is imminent. When significant snowstorms are imminent in the opinion of the Utility Supervisor then additional personnel may be put on notice that they are to be fit for duty and ready to return to duty outside of their regularly scheduled work period to assist in snow removal or related activities. When this occurs, these additional personnel who are so noticed shall be paid the Snow Watch Standby rate whether they are required to report to work outside of their regular shift or not. These additional personnel are not required to remain within a 30-minute response area of their place of work unless in the opinion of the Utilities Superintendent an impending storm may restrict their ability to report to work in a timely manner, therefore the District shall provide appropriate temporary housing for

these Employees. Employees assigned to Snow Watch Standby can not be assigned Emergency Standby at the same time.

4.13 Employer will provide Employees with an opportunity to eat a meal and drink a beverage at the work site for each four (4) hours of continuous overtime work. Employer will reimburse employee's actual cost up to $15.00 for this meal allowance.

5. HOLIDAYS

5.1 The following shall be considered as paid holidays under this Agreement and when no work is performed on these days, an Employee shall be paid for their regular scheduled shift at their regular straight-time rate of pay: New Year's Day, Martin Lutheran King, Jr. Day, Presidents' Day, Memorial Day, Fourth of July, Labor Day, Nevada Day, Veterans' Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. Should any of these holidays fall on Sunday, the following Monday shall be considered a paid holiday. Should any of these holidays fall on Saturday, the preceding Friday shall be considered a paid holiday. In the event there is any work performed on any of the above-mentioned holidays, the Employee shall receive two (2) times the straight time hourly rate for all work performed in addition to the paid holiday.

5.2 In order to be eligible for holiday pay when no work is performed, an Employee must work or be available for work on the last regular work day immediately prior to a holiday and the first regular work day immediately following that holiday unless the Employee shall have been unavailable for work because of: illness or injury sustained by a doctor's certificate showing Employee was unable to work for a period not to exceed thirty (30) days; absence (other than leaves of absence) when authorized by the Employer; and serious illness or death in the Employee's immediate family.

5.3 To be eligible for pay for holidays not worked, an Employee must be in the regular employ of the Employer for thirty (30) calendar days immediately prior to said holiday. If a holiday for which pay is due falls during an Employee's scheduled vacation, then the Employee shall receive an additional day off with pay.

6. CERTIFICATION

6.1 Certification shall be required for all Operators other than Operator Trainees based on the requirements contained in current job descriptions.

6.2 Employer shall provide training to all existing and future employees sufficient to qualify Employees to take examinations necessary to achieve the required certifications listed in current job descriptions. Employer, with cooperation of Employee, shall maintain official records. Employer will advance or reimburse Employee for all fees for one test for each certification. Employer will pay all costs for certificate renewal. Employee time in examinations shall be compensated by Employer as on-duty time. Transportation to and from test sites will be provided by, or compensated by, Employer.

6.3 For any Employee hired or transferred into any positions within this bargaining unit, maintenance of all of the certifications required for that position shall be a condition of employment. Any Employee who does not maintain all of the certifications required

for that position shall be demoted to a position within the same operating division, for which the Employee has all of the required certifications. Any Employee that, once obtaining all of the required Operator I certifications, does not maintain all of the required certifications for Operator I, may, at management's discretion, be terminated for cause. Operator Trainees shall obtain all of the required certifications for the Operator I position within three years of the date of hire as a trainee; failure to achieve all of the certifications within three (3) years may, at management's discretion, be cause for termination.

6.4 Any Employee newly hired or transferred to fill a vacancy in an Operator position shall be assigned the highest classification for which he or she possesses all of the requirements, including certifications, to and including Operator II (Trainee, Operator I or Operator II). Upon achieving all of the requirements, including certifications, for a higher classification, an Employee shall be automatically promoted to that higher classification, provided that no automatic promotions shall occur above Operator II.

6.5 In recognition of the value of additional certification beyond the requirements of the job description, Employer shall pay any Employee who voluntarily receives a Grade III certificate a certification bonus of $150 per certificate ($300 lifetime maximum per Employee) upon Employee's presentation of proof of such certificate to Employer,. Such bonus shall be a one-time award, shall not be added to base pay, and shall not be used in the calculation of any other benefit under this agreement. Employee shall maintain any certificate related to a bonus under this paragraph throughout his/her term of employment with Employer.

6.6 Certification of Mechanics. Mechanics shall be compensated in accordance with the Exhibit A, Salary Grid II Certified Scale, for their respective grade upon obtaining all of the following certifications for their respective job classification. These certifications are promulgated by the Automotive Service Excellence (ASE) organization and may be subject to change from time to time by that organization or by the Fleet Superintendent, however such change will not cause a Mechanic who is in a Certified Scale to be placed back in the Uncertified Scale.

Mechanic I	**Mechanic II**	**Mechanic III**
Car and Light Truck Engine Repair	Same as Mechanic I	Same as Mechanic II
Car and Light Truck Brakes	Car and Light Truck Manual Drive Train and Axles	Medium/Heavy Truck Gasoline Engines
Medium/Heavy Truck Preventive Maintenance Inspection (PMI)	Car and Light Truck Suspension and Steering	Medium/Heavy Truck Drive Train
	Medium/Heavy Truck Diesel Engines	Medium/Heavy Truck Electrical/Electronic System

Once a Mechanic I has achieved all the required certifications for the Mechanic II grade and successfully completed one year as a Mechanic I, that Employee shall automatically be promoted to the Mechanic II grade.

6.7 Employees who maintain a Class A ***or*** Class B license shall be compensated with an annual bonus at the end of the fiscal year at the following rate. There will be no stacking of bonuses if an individual holds both classes.

CLASS A - $350.00,

CLASS B - $250.00

6.8 Employees who maintain a Confined Space Rescue certificate shall be compensated with an annual bonus of $200.00 at the end of the fiscal year.

7. SALARIES

7.1 The salary ranges listed in Exhibit A is hereby made part of this Agreement, and shall become effective on July, 2013.

7.2 Job classifications shall have the salary grades listed in Exhibit B. The Employer will notify the Union in writing when positions listed in Exhibit B are re-classified.

7.3 Upon commencement of full-time permanent work for Employer, a new Employee shall be paid the minimum of the salary grade. At the Employer's discretion, a new Employee with exceptional experience, capabilities or knowledge may be assigned to a rate above the minimum of the salary grade.

7.4 Employees shall hold probationary status for the first twelve months following appointment. Probationary Employees may be terminated without cause. Satisfactory performance during the probationary period, as determined by the Employee's supervisor through a performance evaluation at the completion of the twelve month interval, shall remove the Employee from probationary status. Any probationary Employee receiving an unsatisfactory evaluation may be terminated.

7.5 Upon movement of an Employee from one job classification to another with a higher salary grade, the Employee will move to the greater of (1) the minimum of the new salary grade or to (2) a rate in the new salary grade that provides a salary increase of at least 5% for an upward movement of one grade or 10% for an upward movement of two grades or more. Upon movement of an Employee from one job classification to another with a lower salary grade, the Employee shall receive the commensurate rate in the new salary grade that the Employee had in the former salary grade. No change in anniversary date shall occur.

7.6 Upon achieving all the required certifications for a position, an Employee shall be paid according to the certified scale for the position. Employees who do not have all of the required certifications for their current position, and Employees in positions that do not have certification requirements, shall only be paid according to the uncertified scale.

7.7

2% salary increase effective July 1, 2013 and a 1% salary increase on January 1, 2014. An additional 1% increase shall be added provided the District realizes a 10% overachievement in the Public Works Budget ($91,107). The increase shall be payable and retro-active to July 1, 2013 upon closing and validation of the Financial Record in late July to early August.

7.8 It is agreed the Employer and Union shall establish a mutually acceptable criteria for conducting a salary survey for use in a subsequent memorandum of understanding.

7.9 It is agreed the Employer and the Union shall establish a joint Labor Management Committee to further communications and problem solve matters of mutual concern.

8. LAYOFFS

8.1 If the Employer determines that it will be necessary to lay off Employees within the bargaining unit, then whenever possible, the Employer will inform Employees thirty (30) days prior to layoff. Employees will be laid off in reverse order of seniority by classification within the bargaining unit, except in cases where the Employer can clearly demonstrate that the Employee lacks the skills or ability to perform the duties of his position. Employees who have been laid off will be rehired in the reverse order of layoff (i.e., last laid off, first rehired).

8.2 Employees in higher classifications within the bargaining unit will be given the opportunity to demote to lower classifications within the bargaining unit for which they are qualified, recognizing the fact that this could result in the layoff of Employees in lower classes because of less seniority.

8.3 An Employee who has been laid off has the right to re-employment for a period of one hundred and eighty (180) days, provided he has the necessary qualifications for the position to be filled.

9. LEAVES

9.1 Vacation leave shall accrue from each Employee's original anniversary date, at the following rates:

9.1.a. For each Employee having less than four full years of continuous service to Employer, six and two-thirds hours per calendar month of employment.

9.1.b. For each Employee having at least four full years, but less than nine full years of continuous service to Employer, ten hours per calendar month of employment. New Employees hired on or after July 1, 2012 will earn up to a maximum of 4 weeks vacation.

9.1.c. For each Employee having at least nine full years, but less than fourteen full years of continuous service to Employer, thirteen and one-third hours per calendar month of employment.

9.1.d. For each Employee having fourteen or more full years of continuous service to Employer, sixteen and two-thirds hours per calendar month of employment.

9.2 The Employer will entertain requests by eligible Employees as to the time at which their vacations will be scheduled, but vacation schedules must necessarily conform to and not unduly interfere with, the operation schedules of the Employer. Preference will be in order of seniority provided the remaining Employees are qualified to do the work.

9.3 Employees must complete six months of employment to be eligible to take vacation. After six months of service, Employer will compensate Employees for accrued vacation which is unused upon termination, at the employee's current wage rate.

9.4 Where an Employee is unable to report for work on their regular shift by reason of jury service, Employee will, upon furnishing written proof of such service, be paid the difference between the jury pay and the amount Employee would have been paid on their regular shift.

9.5 Sick leave will accumulate at the rate of eight (8) hours per month, with unlimited accrual. A doctor's certificate may be required by the Employer. Employee will be paid for time off for illness up to the limits of time accumulated. Abuses of sick leave may be subject to disciplinary action. Each Employee having unused sick leave on December 1 of each year shall have the opportunity to "sell" back to the District one-half (1/2) of their unused sick leave balance, up to a maximum of forty eight (48) hours and shall be compensated at their regular hourly rate for such time. That time so paid shall be deducted from Employee's accumulated sick leave time available. Unused sick leave compensation shall be limited to that time which has accrued in the preceding twelve (12) months. Elimination of the December annual 48 hour sick leave buy back for employees hired after July 1, 2011.

Employees who elect to retire after 20 years of service may elect to receive up to 20% of their accrued sick leave hours; adding 2% additional each year to 25 years (30% after 25 years); and 4% additional year thereafter to a maximum sick leave buyout after 30 years of service of 50% of 960 hours. As an alternative, the Employee may elect to convert their accumulated sick leave hours to a non-interest bearing District account for purpose of paying medical insurance coverage and/or out-of-pocket medical expenses such as deductibles and co-payments at double the rates above, with a maximum of 100% of 960 hours of sick leave.

9.6 In the event of a death of a member of the Employee's immediate family, the Employee shall be granted a leave of absence, with pay, for a period of up to forty (40) working hours to attend the funeral. For the purposes of this Section, the immediate family shall be defined as those within the 3rd degree of consanguinity or affinity. See Exhibit D for consanguinity and affinity chart. Evidence of death may be required by the Employer.

10. UNION RIGHTS

10.1 A duly authorized representative of Union may be permitted to talk on the job with Employees subject to this Agreement, for the purpose of ascertaining whether or not this Agreement is being observed by all parties, or in adjusting grievances, and for no other reasons. Union agrees that this privilege shall be so exercised as to not interfere with the work in the departments.

10.2 The union shall notify the Employer of the selection of the job steward.

10.3 The job steward shall not stop the Employer's work for any reason, or tell any Employee covered by this Agreement that Employee cannot work on the job.

10.4 It is hereby mutually understood and agreed that no person is authorized to act as or is to be deemed to be an authorized agent of either party to this Agreement unless the party appointing such authorized agent has first notified the other in writing of such appointment and the scope of the authority of such an agent.

10.5 It is hereby agreed and understood that the following persons and no other shall be the authorized agents of the respective parties until further notice as provided in Section 10.4 hereof:

> Duly authorized agent of the Union shall be: Business Manager, or Business Representative designated by the Business Manager.
>
> Duly authorized agent of the Employer shall be the General Manager, or any other person authorized by Employer to act as his agent whose identity and scope of authority has been made known to the Local Union by written communication from said Employer.

11. DISCIPLINE AND DISCHARGE

11.1 The purpose of this article is to provide for an equitable and expeditious manner for the resolution of disputes arising from the imposition of discipline. The Employer and the Union acknowledge that all steps of the mutually-agreed-upon "Peer Counseling and Disciplinary Process" as outlined in Exhibit D shall be recognized as defined steps in a progressive disciplinary process. It is further acknowledged that feedback received during an annual performance evaluation may supplement the referenced Peer Counseling and Disciplinary Process. All actions beyond Step 1 in the referenced process shall be documented by the Employer and shall become part of the permanent personnel record.

11.2 Any Employee involved in a discussion with their supervisor or management, who has reason to believe that discipline may result from said discussion, shall have the right to request Employee's Steward or Union Representative be present during the discussion. If the Employee wishes to have Union representation during such discussions, it shall be Employee's responsibility to make such wishes known and the Employer shall make arrangements for the desired representation.

The Employer agrees that no Employee will be disciplined or discharged without cause.

11.3 Verbal and written reprimands shall only be subject to review through Step 4 of the Grievance Procedure and shall not be subject to arbitration or litigation. Provided, however, that a written reprimand that is repeated and which is accompanied by a statement that more severe disciplinary action could follow is subject to arbitration. For any action which is not arbitrable, the affected Employee may prepare a written statement responding to the reprimand and such statement shall be included in the Employee's official personnel file(s), if it is submitted within five (5) calendar days of the final disposition by the General Manager or their designee. Such written responses shall remain in the official personnel file(s) for as long as the reprimand remains in file.

11.4 Any Employee being suspended, involuntarily demoted or discharged shall not be removed from the payroll or otherwise adversely affected until after the completion of a pre-disciplinary hearing before the department head or acting department head. The purpose of a pre-disciplinary hearing is for the Employee to respond to the specific charges and present evidence on their behalf. The Employee must be timely notified in writing of the dismissal, involuntary demotion or suspension and the reasons therefore. The notice must precede the hearing by at least forty-eight (48) hours, and may be delivered personally to the Employee or mailed to the Employee at the Employee's last known address, by registered or certified mail, return receipt requested. If the notice is mailed, the effective date of the notice shall be the date of delivery, or if the letter is returned to the sender, three (3) calendar days after mailing. The Employee shall have the right to be represented at this hearing by a Union Representative. After hearing the evidence presented at the hearing, the department head shall render a written decision within five (5) working days.

11.5 If the department head determines that IVGID is in jeopardy if an Employee is not relieved or duties pending a pre-disciplinary hearing under Section 11.4 hereof, the department head may order, as part of the pre-discipline notice, that the Employee shall take an immediate involuntary leave of absence without pay, which leave shall expire on the date of the department head's written decision under Section 11.4 hereof. Such leave shall be without prejudice to the Employee. If the department head determines, based upon the evidence presented at the hearing, that the appropriate disciplinary action involves a demotion or a suspension of a shorter period of time than the leave of absence, then the Employer shall provide back pay to the Employee for the difference at the end of the same pay period. If the department head determines, based upon the evidence presented at the hearing, that the appropriate disciplinary action involves a suspension of a greater period of time than the leave of absence, or a discharge, then no back pay shall be due and, in the event of a suspension, the beginning date of the suspension shall be the same as the beginning date of the leave of absence.

11.6 Upon receiving the department head's written decision, an Employee who has been suspended, involuntarily demoted or discharged, shall have the right to appeal such decision through the Grievance and Arbitration Procedure of this Agreement, beginning at Step 4.

12. GRIEVANCES

12.1 Except where a remedy is otherwise provided for, any Employee shall have the right to present a grievance arising from his employment in accordance with the rules and regulations of this procedure.

12.2 All parties so involved must act in good faith and strive for objectivity, while endeavoring to reach a solution at the earliest possible step of the procedure. The aggrieved Employee shall have the assurance that filing of a grievance will not result in reprisal of any nature. The aggrieved Employee shall have the right to be represented or accompanied by a Representative of the Union at all stages of the grievance procedure.

12.3 Certain time limits in the grievance procedure are designed to quickly settle a grievance. It is realized, however, that on occasion the parties concerned may be unable to comply with the established limitations. In such instances, the limitations may be extended upon the mutual agreement of all parties concerned.

12.4 Failure of the aggrieved Employee to file an appeal within the prescribed time limit for any step of the procedure shall constitute abandonment of the grievance. Employer shall abide by prescribed time limits.

12.5 Any person responsible for conducting any conference, meeting or hearing under the formal grievance procedure shall give due and timely notice to all persons concerned.

12.6 When two or more Employees experience a common grievance, they may initiate a single grievance proceeding. The initial hearing of the grievance shall be by the immediate Supervisor, Superior or department head who has the prime responsibility for all of the aggrieved Employees.

12.7 The grievance procedure shall be as follows:

Step 1. When an Employee becomes aware that dissatisfaction exists with their work or work situation, Employee should discuss the matter informally with their immediate supervisor. Initial discussion should be sought by the Employee not later than ten (10) working days after the event giving rise to the grievance occurred, or ten (10) working days after the Employee should have had knowledge of the event, whichever is later. The following provisions relating to formal grievance procedure do not restrict the Employee and Supervisor from seeking advice and counsel from Superiors and Department Heads when:

a) Mutually consented to by the Employee and Supervisor.

b) It appears that settlement can be reached at this informal level.

Step 2. The Supervisor will hear the grievance and give their written decision within five (5) working days of the receipt of the formal grievance papers.

Step 3. If the written decision of the Supervisor is unsatisfactory to the Employee, the Employee may request that the grievance be presented to the department head for review. This request must be made in writing within five (5) working days of the receipt of the Supervisor's decision. The department head

will hear the grievance and give their written decision within ten (10) working days of the receipt of the formal grievance papers.

Step 4. If the written decision of the department head is unsatisfactory to the Employee, the Employee may request that the grievance be presented to the General Manager for review. This request must be made in writing within five (5) working days of the receipt of the Department Head's decision. The General Manager will hear the grievance and give their written decision within ten (10) working days of the receipt of the formal grievance papers.

Step 5. If the written decision of the General Manager is unsatisfactory to the Employee, the Union or Employee within ten (10) working days may request the grievance be advanced to arbitration. The arbitrator list will be requested within one-hundred twenty (120) days and the arbitrator from a list of seven (7) names supplied by the Federal Mediation and Conciliatory Service (FMCS), or another arbitration service mutually agreeable to the Employer and Union. The parties shall select the arbitrator by alternately striking names until one name remains. The Union representative shall strike the first name. The decision of the arbitrator shall be final and binding upon both parties.

12.8 The arbitrator shall have no authority to alter, amend, add to or subtract in any way the terms and conditions of this Agreement. The arbitrator shall confine their decision to a determination of the facts and an interpretation and application of this Agreement. The parties agree to each pay one-half the costs of the arbitrator.

13. CESSATION OF WORK

13.1 Under no circumstances shall any dispute or disagreement be permitted to cause a cessation of work. Employer hereby declares opposition to lockouts and Union hereby declares opposition to strikes, sympathetic or otherwise, and to stoppage or slowdown of work.

14. HEALTH AND WELFARE

14.1 Employer will provide and pay 100% of the insurance premium costs of medical, hospital, dental, prescription, and vision coverage, for employees and dependents for all employees hired prior to or on June 30, 2012. Employees hired on or after July 1, 2012 will pay twenty-five percent (25%) of the cost of dependent coverage. The Employer will provide and pay 100% of insurance premium costs for life, accidental death and dismemberment, short term and disability insurances for the employee for the life of the contract.

14.2 The Employer shall provide a long-term disability plan at no cost to the Employees. The current plan will provide a benefit equal to 66&2/3%of monthly salary (not to exceed $7,500.00 a month) commencing on the ninety-first (91) day of a qualifying disability.

15. PENSION

15.1 Pension benefits, as set forth herein, shall be paid after six (6) months of employment for Employees in the bargaining unit who choose to participate in the Operating Engineers Pension Trust Fund.

15.2 The Employer shall pay into the Operating Engineers Pension Trust Fund an amount equal to twelve and one-third (12.3) percent of the Employee's gross W2 earnings. This amount includes the contribution to the Union's Retiree's Health Care Trust.

15.3 All Employees who are enrolled in the union pension system shall continue to be eligible for enrollment in the system, as long as they are full-time Employees of Employer, whether or not they are members of the bargaining unit.

15.4 The Employer shall make the payments provided in Section 15.2 at the times and in the manner provided in the Trust Agreement creating the Pension Trust Fund for Operating Engineers, and is bound by all the terms and conditions thereof and any amendment or amendments thereto. Eligibility of Employees shall be determined by the Trustees of said Trust.

15.5 The Employer shall deduct for union dues and make available an automatic payroll deduction for credit union deposits.

15.6 As an alternative to the Operating Engineers Pension Trust Fund, Employees may elect to enroll in another pension plan available through Employer.

15.7 The District will "match" 100% of an employee's contribution into a deferred compensation plan up to 2% of the employee's annual wages effective August 1, 2005.

16. MANAGEMENT RIGHTS

16.1 Incline Village General Improvement District retains the exclusive right, except as expressly stated herein, to operate and direct the affairs of the District in all its various aspects, including but not limited to, the right to direct the work force; to determine the size of the work force and the number of employees, classifications, and positions; to plan, direct and control all the operations and services of the District; to determine the methods, means, and organization by which such operations and services are to be conducted; to assign and transfer employees within its operations; to combine, divide, or reorganize its operations; to assign and schedule work; to establish reasonable work rules; to hire, promote, demote, suspend, discipline, discharge or relieve employees due to lack of work or other legitimate reasons; and to change or eliminate existing methods, equipment or facilities.

16.2 Union agrees that Employer shall have complete freedom in questions involving termination of employment, transfer, advancement, and layoffs due to lack of work, except that no Employee shall be discharged for Union activities. Union recognizes and agrees that reprimands, suspensions and discharges of Employees for inefficiency, carelessness or insubordination are necessary and proper to the successful operation of Employer's business.

16.3 Nothing in this Agreement shall be construed as abrogating any rights that either party hereto has under the statutes of the State of Nevada.

17. TERM OF AGREEMENT

17.1 This Agreement shall become effective on the 1st day of July 2013, and remain in effect through the 30th day of June 2014. This Agreement shall continue in effect from year to year thereafter, unless either of the parties hereto gives notice to the other in writing, pursuant to NRS Chapter 288, in each year during which this Agreement may be automatically renewed, either of a desire to terminate or to modify this Agreement. In the event of such a notice, the parties hereto agree: (1) to meet and confer with the other through their authorized agents for the purpose of negotiating a new Agreement or an Agreement containing the proposed modifications; (2) to notify such State and Federal agencies and boards within the time required by any applicable laws, of the existence of such dispute, provided that no agreement has been reached by that time; and (3) to continue in full force and effect without resorting to strikes or lockouts, all the terms and conditions of the existing Agreement for a period of sixty (60) days after such notice is given to such State or Federal board or agency or until the expiration of the existing Agreement, whichever occurs later.

18. AGREEMENT BINDING UPON PARTIES

This Agreement shall be binding upon the heirs, executors, administrators, successors, and lessees of the parties hereto. In the event of the reorganization, transfer or change in the method of administering the service provided, the District shall provide the Agreement shall continue in full force and effect with the Union recognized as the proper bargaining representative of the Employees at the facility.

18.1 IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals by their respective officers duly authorized to do so this 25 day of September, 2013.

EMPLOYER:

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Bruce Simonian, Chairman

Jim Smith, Secretary

Reviewed and Approved:

William B. Horn, General Manager

Charles P. Cockerill, Legal Counsel

UNION:

OPERATING ENGINEERS LOCAL UNION NO.3 of the International Union of Operating Engineers, AFL-CIO

Russ Burns, Business Manager

Jim Sullivan, Rec./Corr. Secretary

Rick Davis, Public Employees Director

Scott Fullerton, Business Representative

Don Hollingsworth, Steward

Jeff Bendorf, Steward

EXHIBIT A

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Union Salary Ranges

Effective July 1, 2013

Top of Ranges Increased 2% from previous year. No Change in Minimum does not include 1% retro for FY '12-'13

Uncertified Scale

	HOURLY			BI-WEEKLY			ANNUAL		
GRADE	Minimum	Mid	Max	Minimum	Mid	Max	Minimum	Mid	Max
3	$16.50	$19.84	$23.17	$1,320	$1,587	$1,854	$34,328	$41,266	$48,203
4	$17.34	$20.85	$24.36	$1,387	$1,668	$1,948	$36,067	$42,869	$49,670
5	$18.21	$21.89	$25.57	$1,457	$1,752	$2,046	$37,871	$45,009	$52,146
6	$18.44	$22.17	$25.91	$1,475	$1,774	$2,073	$38,359	$45,596	$52,832
7	$20.50	$24.65	$28.80	$1,640	$1,972	$2,304	$42,644	$50,692	$58,739
8	$22.52	$27.08	$31.63	$1,802	$2,166	$2,531	$46,846	$55,674	$64,501
9	$24.34	$29.26	$34.18	$1,947	$2,341	$2,735	$50,621	$60,161	$69,701
10	$26.63	$32.02	$37.40	$2,131	$2,562	$2,993	$55,395	$65,835	$76,274
11	$28.66	$34.46	$40.26	$2,293	$2,757	$3,221	$59,617	$70,858	$82,098
12	$30.73	$36.95	$43.17	$2,459	$2,956	$3,454	$63,925	$75,976	$88,026

Certified Scale

	HOURLY			BI-WEEKLY			ANNUAL		
GRADE	Minimum	Mid	Max	Minimum	Mid	Max	Minimum	Mid	Max
3	N/A		N/A	N/A		N/A	N/A		N/A
4	N/A		N/A	N/A		N/A	N/A		N/A
5	N/A		N/A	N/A		N/A	N/A		N/A
6	$18.84	$22.65	$26.46	$1,507	$1,812	$2,117	$39,187	$46,571	$53,955
7	$20.45	$24.59	$28.72	$1,636	$1,967	$2,298	$42,536	$50,555	$58,573
8	$22.92	$27.56	$32.19	$1,834	$2,205	$2,576	$47,674	$56,660	$65,645
9	$25.00	$30.06	$35.12	$2,000	$2,405	$2,809	$52,000	$61,807	$71,614
10	$27.03	$32.50	$37.97	$2,162	$2,600	$3,038	$56,222	$66,830	$77,438
11	$29.08	$34.96	$40.84	$2,326	$2,797	$3,267	$60,486	$71,885	$83,283
12	$31.14	$37.44	$43.75	$2,491	$2,995	$3,500	$64,771	$76,991	$89,211

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Union Salary Ranges

Effective January 1, 2014

Uncertified Scale

Top of Ranges Increased 1% over previous increase. No Change in Minimum does not include 1% retro for FY '12-'13

	HOURLY			BI-WEEKLY			ANNUAL		
GRADE	Minimum	Mid	Max	Minimum	Mid	Max	Minimum	Mid	Max
3	$16.50	$19.95	$23.41	$1,320	$1,596	$1,873	$34,328	$41,507	$48,685
4	$17.34	$20.97	$24.60	$1,387	$1,677	$1,968	$36,067	$43,117	$50,167
5	$18.21	$22.02	$25.83	$1,457	$1,762	$2,067	$37,871	$45,269	$52,667
6	$18.44	$22.30	$26.17	$1,475	$1,784	$2,093	$38,359	$45,860	$53,360
7	$20.50	$24.80	$29.09	$1,640	$1,984	$2,327	$42,644	$50,985	$59,326
8	$22.52	$27.23	$31.95	$1,802	$2,179	$2,556	$46,846	$55,996	$65,146
9	$24.34	$29.43	$34.52	$1,947	$2,354	$2,762	$50,621	$60,510	$70,398
10	$26.63	$32.20	$37.78	$2,131	$2,577	$3,023	$55,395	$66,216	$77,037
11	$28.66	$34.66	$40.66	$2,293	$2,773	$3,253	$59,617	$71,268	$82,919
12	$30.73	$37.16	$43.60	$2,459	$2,974	$3,488	$63,925	$76,416	$88,906

Certified Scale

	HOURLY			BI-WEEKLY			ANNUAL		
GRADE	Minimum	Mid	Max	Minimum	Mid	Max	Minimum	Mid	Max
3	N/A		N/A	N/A		N/A	N/A		N/A
4	N/A		N/A	N/A		N/A	N/A		N/A
5	N/A		N/A	N/A		N/A	N/A		N/A
6	$18.84	$22.78	$26.72	$1,507	$1,822	$2,138	$39,187	$46,841	$54,495
7	$20.45	$24.73	$29.01	$1,636	$1,979	$2,321	$42,536	$50,847	$59,159
8	$22.92	$27.72	$32.51	$1,834	$2,218	$2,601	$47,674	$56,988	$66,301
9	$25.00	$30.23	$35.47	$2,000	$2,419	$2,837	$52,000	$62,165	$72,330
10	$27.03	$32.69	$38.35	$2,162	$2,615	$3,068	$56,222	$67,217	$78,212
11	$29.08	$35.16	$41.25	$2,326	$2,813	$3,300	$60,486	$72,301	$84,116
12	$31.14	$37.66	$44.19	$2,491	$3,013	$3,535	$64,771	$77,437	$90,103

EXHIBIT B

JOB CLASSIFICATIONS & GRADES
IVIGD Utilities
July 1, 2012

Grade	Job Classification
C11	Electrician/Instrumentation Technician*
C10	Collections/Distribution Operator III* Water/Wastewater Operator III* Water/Wastewater Operator III/Chemist* Chemist* Mechanic III Certified* Senior Inspector*
U10	Mechanic III
C9	Collections/Distribution Operator II* Water/Wastewater Operator II* Mechanic II Certified* Inspector II*
U9	Mechanic II
C8	Collection/Distribution Operator I* Water/Wastewater Operator I* Mechanic I Certified* Laboratory Analyst I
U8	Mechanic I
C7	Meter Reader* Buildings Maintenance Worker III Inspector I*
U7	Inspector I Building Maintenance Worker III Utilities Asset Management Technician
C6	
U6	Buildings Maintenance Worker II Collection/Distribution Operator in Training Water/Wastewater Operator In Training
U5	Buildings Maintenance Worker I
U3	Customer Service Representative

* Positions requiring certification

EXHIBIT C

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The Peer Counseling and Disciplinary Committee is a team made up of Operators and Managers that support teams as well as individual in our department.

We do this by providing an honest, good faith effort to enhance employee performance through coaching, counseling and disciplinary recommendations.

As IVGID employees, we share common responsibilities to

our customers, coworkers, community and ourselves.

THE TEAM RESPONSIBILITY

To work as one to develop and accomplish shared goals, and to champion these goals through personal effort.

THE RESPONSIBILITY OF INTEGRITY

To respect ourselves and others, to act ethically and with commitment, and to be honest and caring.

THE RESPONSIBILITY TO LEARN

To continuously improve our personal skills, work habits and work systems.

THE RESPONSIBILITY TO CONSERVE

To wisely use natural resources, material goods and services, and time.

THE CUSTOMER RESPONSIBILITY

To know who our customers are, and to understand and meet their needs with exemplary services.

PEER COUNSELING AND DISCIPLINARY PROCESS

IVGID UTILITY DEPARTMENT

Peer Counseling and Disciplinary Process

Utility employees are expected to live by the principles and values contained in our Missions Statement and Standards. These principles and values are important to us and they communicate clear expectations for employee behavior on the job. Accepting responsibility and accountability, being a team player, participating to our fullest, treating others in a respectful way, and always being safety and quality conscious are key elements that support our work system and define who we are.

In our Department, much of the responsibility for providing feedback on people's job performance and behavior shifts to the team members themselves. When working as part of a team, people need to know how well they are doing and whether their actions and behavior are helping or hindering the team in accomplishing its goals. Positive feedback is always the best kind, but feedback for improvement is also necessary. Team members should see each other as a source of support, assistance, and encouragement. Feeling appreciated and respected by one's peers helps to build trust and maintain positive working relationships in the group.

There may be instances where a team member's behavior is viewed by others on the team as unhelpful or in some way inconsistent with our guiding principles and values. Should this occur, team members have a responsibility to bring this to the individual's attention. It may be that the person is unaware of the behavior and the effect it is having on the group. If the person is aware of it, he or she may see no reason to change, if it appears that the behavior is acceptable to others. It could also be that the behavior is the result of a misunderstanding or a performance problem of some kind. If so, training or other kinds of assistance can be provided to help the individual improve. If a misunderstanding or performance related problem is present, then the individual has a responsibility to examine his or her behavior carefully and consider how it is affecting the rest of the team. Each team member will be held accountable for his/her actions.

Three process steps are available to year round and multi-seasonal year round employees. Each is intended to help a fellow team member recognize that a concern exists among the members about the person's behavior and that those behaviors need improvement. Consistent with our teamwork philosophy in the Utility Department, our team has a responsibility to view a problem one team member is having as a problem for the entire team and be prepared to counsel and assist the person as needed.

I. Informal Discussion with Another Team Member

- In a private conversation, one or more team members brings a concern he or she has about another team member's actions or behavior to this person's attention. This should always be done in a caring, empathetic and helpful way by all involved.

- It may be that the individual is unaware of the undesirable behavior and the effect it is having on others. If so, this or any other misunderstanding can be quickly cleared up.

- The outcome of this discussion should be a better understanding by the individual of the effect of his or her behavior and what is expected and why.

- Any assistance the team can offer that may help the individual to improve should be made available. Individuals should make notes in a personal diary for future reference.

- The outcome of the discussion should be a commitment by the individual to improve the undesirable behavior. If the behavior continues, the individual should understand that further action will be necessary and can be expected.

II. Formal Discussion Involving the Team and Individual's Supervisor

- If an individual's behavior does not improve, the matter needs to be brought up to the attention of the individuals supervisor. The supervisor will determine if the intent of Step I has been satisfied and if so he will organize a team meeting.

- In the team meeting, the team will discuss the situation and together with the individual, establish agreed-upon expectations for correcting the problem. A record of the meeting will be made on a progressive disciplinary form and signed by those in attendance.

- It is the responsibility of the team to offer the individual help in improving his or her behavior. A performance management plan will be developed to measure any progress. The outcome of the discussion should be a commitment by the individual to improve the undesirable behavior. If the behavior continues, the individual should understand that further action will be necessary and can be expected.

- The performance management plan will be developed and administered by the team and reviewed by the Utility Superintendent.

- Seasonal employee performance issues will be handled at the team level including the individual's supervisor and the Utilities Superintendent.

III. Formal Performance Review

- Continued poor performance will result in a meeting with the Peer Counseling and Disciplinary Committee.

- The committee will consist of 3 operators and the Utilities Superintendent. One operator should be from a different division within Utilities, i.e.: Plant or Pipeline. The individual's supervisor should be present at this meeting as well.

- The committee will review previous actions and performance management plans along with any current issues. Recommendations for further improvement plans or disciplinary actions will be developed. A formal record of the meeting will be made on a progressive disciplinary form with all those in attendance signing.

- A written recommendation of the committee will be prepared by the Utilities Superintendent and reviewed with the Utilities Director.

It is important in our Department that members be able to share their perceptions of each other's behavior when expectations are not being met. Otherwise, problems could develop within the group that harm morale and performance. Our peer counseling and disciplinary process only works effectively when team members genuinely care about each other and have invested the time and effort in developing truly open relationships.

If an individual team member does not agree with a committee recommendation, that person may address their concerns with the entire committee as a whole. Talking with individuals on the committee, other than the Utilities Superintendent, out of a committee environment about issues being addressed by the committee shall be avoided.

It also must be understood that IVGID management reserves the right to take appropriate action in cases of severe violation of IVGID policies or state, federal or local laws. Bargaining unit employees have the right to Union representation at any point in this process and all year round & multi-seasonal year round employees shall have access to the grievance procedures outlined in IVGID's personnel policies.

IVGID UTILITIES DEPARTMENT

Progressive Disciplinary Form

Employee Name _____ Job Title _____ Department _____

Date: **VERIFICATION OF INTENT OF STEP I**

Describe how the intent of Step I has been met and describe the agreement that was reached.

Who initiated Step I	Was agreement satisfied?	Target Date

Supervisor Signature _____ Date _____

Date: **STEP II: FORMAL DISCUSSION WITH TEAM**

STAR: (**S**ituation or **T**ask, employee **A**ction, and **R**esults leading to formal discussion):

- ☐ Meeting with team including supervisor.
- ☐ Establish expectations for correcting problem.
- ☐ Offer help and recourses.
- ☐ Develop performance management plan
- ☐ Review management plan with Utilities Supt. And prepare to administer the plan.

Employee Signature _____ Date _____ Supervisor Signature _____ Date _____ Supt. Signature _____ Date _____

Date: **STEP III: FORMAL PERFORMANCE REVIEW WITH COMMITTEE**

STAR: (**S**ituation or **T**ask, employee **A**ction, and **R**esults leading to formal discussion):

- ☐ Meeting with Peer Counseling and Disciplinary Committee
- ☐ Review current issues, previous actions and management plans
- ☐ Make recommendations for additional performance management plans and/or further disciplinary recommendations (i.e. suspension)

Employee Signature _____ Date _____ Supervisor Signature _____ Date _____ Supt. Signature _____ Date _____

Date: **FINAL ACTION**

STAR/INVESTIGATION:

Action Taken:

Employee Signature _____ Date _____ Supervisor Signature _____ Date _____ Supt. Signature _____ Date _____

Exhibit D

CONSANGUINITY / AFFINITY CHART

CONSANGUINITY

4th Degree	Great Great Grandparent Great Aunt/Uncle First Cousin Grand Nephew/Niece
3rd Degree	Great Grandparent Aunt/Uncle Niece/Nephew Great Grandchild
2nd Degree	Grandparent Brother/Sister Grandchild
1st Degree	Parent Child

YOU

AFFINITY

1st Degree	Spouse
2nd Degree	Parent-in-Law Daughter/Son-in-Law
3rd Degree	Grandparent-in-Law Brother/Sister-in-Law Grandchild-in-Law
4th Degree	Great Grandparent-in-Law Aunt/Uncle-in-Law First Cousin-in-Law Niece/Nephew-in-Law Great Grandchild-in-Law

Note: Step relationships (step-brother, step-father, etc.) are considered to be the same as blood relationships. Domestic Partners are considered the same as spouse.