

MEMORANDUM OF UNDERSTANDING
BETWEEN AND FOR
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
AND THE
OPERATING ENGINEERS LOCAL UNION NO. 3
SUPERINTENDENTS' BARGAINING UNIT

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" or "IVGID," 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 workers, 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 regular Superintendent of Utilities.

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. HOLIDAYS

4.1 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 Luther 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 an additional day off in lieu of the holiday worked.

4.2 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.

4.3 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.

5. SALARIES

5.1 The salary range listed in Exhibit A is hereby made part of this Agreement, and shall become effective on July 1, 2013 This salary range shall be established equal to the District range number 36.0.

4% salary increase effective July 1, 2013.

5.2 Job classification shall have the salary grade listed in Exhibit B.

5.3 Upon commencement of full-time regular 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.

5.4 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 immediate superior through a performance evaluation at the completion of the twelve-month interval, shall remove the Employee from probationary status. Any probationary Employee receiving a below target evaluation may be terminated.

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

5.6 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.\

6. LAYOFFS

6.1 If the Employer determines that it will be necessary to layoff the Employee of the bargaining unit, then whenever possible, the Employer will inform the Employee thirty (30) days prior to layoff.

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

7. LEAVES

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

7.1.a. For each Employee, having less than four full years of continuous service to Employer, ten hours per calendar month of employment.

7.1.b. For each Employee, having at least four full years, but less than nine full years of continuous service to Employer, thirteen and one-third 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.

7.1.c. For each Employee having at least nine or more full years of continuous service to Employer, sixteen and two-thirds hours per calendar month of employment.

7.2 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.

7.3 When 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.

7.4 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 for 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 December annual 48 hour sick leave buy back for employees hired after July 1, 2011.

7.5 Employees who elect to retire after 20 years of service with the District may receive up to 20% of their accrued sick leave hours; adding 2% additional each year to 25 years (30% at 25 years) and 4% additional each year thereafter to a maximum sick leave buyout of 50% of up to 960 hours after 30 years of service.

As an alternative, employees retiring after 20 years or more of service may elect to convert their eligible sick leave hours with the same limitations identified above to a non-interest bearing District account for the purpose of paying medical insurance coverage and/or out-of-pocket medical expenses such as deductibles and co-payments at double the rate to a maximum of 100% of up to 960 hours after 30 years of service.

The non-interest bearing District account will be assigned a present value as of the date of retirement equal to the number of hours of sick leave times the employee's base hourly salary at the time of retirement. The District will debit said account on a dollar-for-dollar basis. This benefit is non-transferable and does not survive the retiree. Employees participating in this plan will receive a non-employee IRS Form 1099-MISC annually.

7.6 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 within the 3rd degree of consanguinity or affinity. See Exhibit C for consanguinity and affinity chart. Evidence of death may be required by the Employer.

8. UNION RIGHTS

8.1 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.

8.2 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.

8.3 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 8.2 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.

9. DISCIPLINE AND DISCHARGE

9.1 Any Employee involved in a discussion with their immediate superior or management, who has reason to believe that discipline may result from said discussion, shall have the right to request their Steward or Union Representative be present during the discussion. If the Employee wishes to have Union representation during such discussions, it shall be the 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.

9.2 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 of his/her designee. Such written responses shall remain in the official personnel file(s) for as long as the reprimand remains in file.

9.3 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 his/her 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 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.

9.4 If the department head determines that IVGID is in jeopardy if an Employee is not relieved of duties pending a pre-disciplinary hearing under Section 9.3 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 9.3 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.

9.5 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.

10. GRIEVANCES

10.1 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.

10.2 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.

10.3 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.

10.4 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.

10.5 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.

10.6 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 department head. 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.

Step 2. The Immediate Superior 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 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 4. 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.

10.7 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.

II. CESSATION OF WORK

II.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.

12. HEALTH AND WELFARE

12.1 Employer will provide and pay 100% of the insurance premium costs of medical, hospital, dental, prescription, and vision, for employees and dependents for 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 the insurance premium costs for life, accidental death and dismemberment, and short term disability insurance for the employee through June 30, 2014.

12.2 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.

13. PENSION

13.1 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.

13.2 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.

13.3 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.

13.4 The Employer shall make the payments provided in Section 13.2 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.

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

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

14. MANAGEMENT RIGHTS

14.1 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.

14.2 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.

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

15. TERM OF AGREEMENT

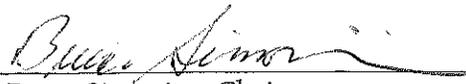
15.1 This Agreement shall become effective on the 1st day of July 2013, and remain in effect through the 30th day of June 2014. This Agreement shall continue in effect from year to year thereafter, unless either of the parties hereto gives notice to the other in writing, pursuant to NRS Chapter 288, 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 (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.

16. AGREEMENT BINDING UPON PARTIES

16.1 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.

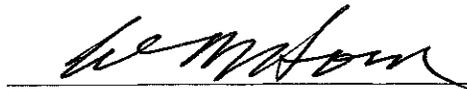
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals by their respective officers duly authorized to do so this 25 day of September, 2013.

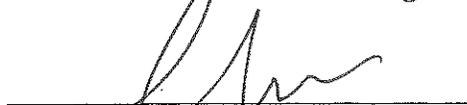
EMPLOYER:
INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT


Bruce Simonian, Chairman

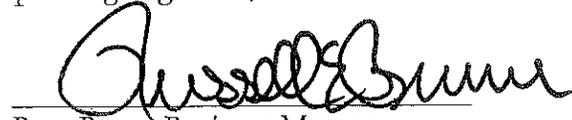

Jim Smith, Secretary

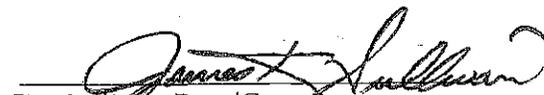
Reviewed and Approved:


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


Scott Fullerton, Business Representative


Harvey Johnson, Steward

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Standard Salary Ranges

Effective July 1, 2013

*Top of Ranges
Increased 4%
from previous year.*

*No Change in Minimum
does not include 1%
retro from FY '12-'13*

GRADE	HOURLY			BI-WEEKLY			ANNUAL		
	Minimum	Mid	Max	Minimum	Mid	Max	Minimum	Mid	Max
36	\$41.50	\$50.47	\$59.44	\$3,320	\$4,038	\$4,755	\$86,320	\$104,974	\$123,627

Exhibit B

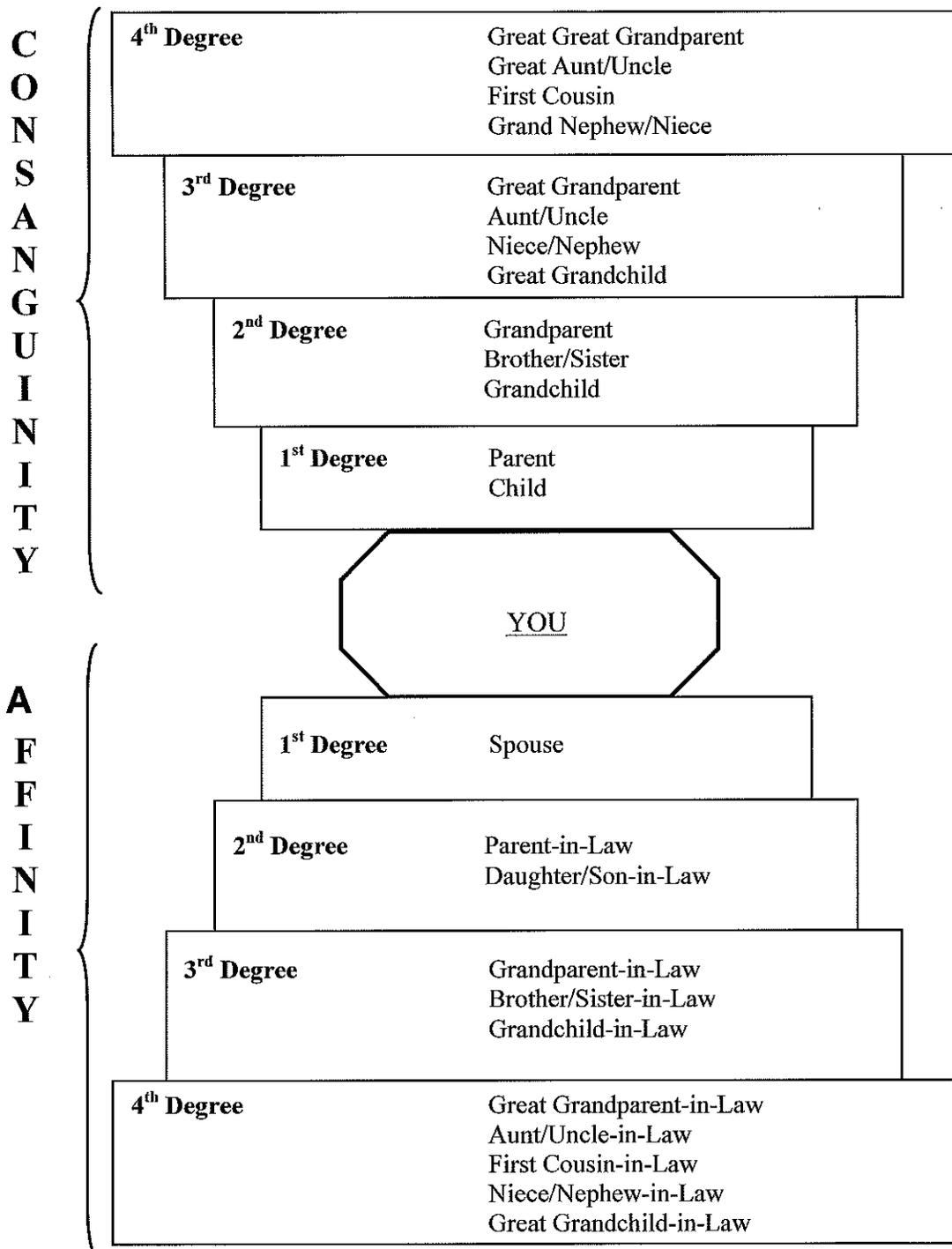
Memorandum of Understanding
Between IVGID and Operating Engineers Local Union No. 3
Superintendent Bargaining Unit

Incline Village General Improvement District Effective July 1, 2012 Union Salary Grid and Supervisory Responsibility Superintendent Bargaining Unit		
Superintendent Grade	Job Classification	Highest Position Supervised
RN36.0 (1)	Utilities Superintendent	S-10

1) RN: Range Number from Non-Union Position Classification and Standard Salary Matrix from IVGID Annual Operating Budget

Exhibit C

CONSANGUINITY / AFFINITY CHART



CONSANGUINITY

AFFINITY

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.