SIDE LETTER AGREEMENT

LETTER OF UNDERSTANDING BETWEEN THE
SANTA BARBARA COUNTY AIR POLLUTION CONTROL DISTRICT
AND THE
SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 620

The Santa Barbara County Air Pollution Control District (APCD) and the Service Employees International Union, Local 620 (SEIU) jointly agree that employer sponsored health insurance is a valuable benefit to employees.

The parties also agree that APCD contributions towards cafeteria dollars and the cost of employee-only medical premiums are a large component of an employee's total compensation package.

During the term of this agreement, the parties agree to discuss alternate benefit structures and/or cost saving measures that could free up existing on-going revenues to offset the cost of employee only medical coverage for employees.