

**A SPECIAL/ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS
UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
11310 VALLEY BOULEVARD, EL MONTE, CALIFORNIA 91731
6:30 P.M. – JUNE 28, 2011**

AGENDA

1. PLEDGE OF ALLEGIANCE
2. ROLL CALL OF BOARD OF DIRECTORS
3. ADOPTION OF AGENDA [1]
4. PUBLIC COMMENT
Anyone wishing to discuss items should do so now. The Board of Directors may allow additional input during the meeting. A three-minute time limit on remarks is requested.
5. ACTION/DISCUSSION ITEMS [1]
 - (a) Discussion Regarding Solicitation and Award of Professional Services Agreement for the Development of an Integrated Resources Plan (IRP). *(Staff recommendation enclosed.)*

Recommendation

Due to lack of quorum, the Chairman of the Administrative Committee requested that this item be forwarded to the full Board for discussion and consideration without a recommendation from the Committee.

- (b) Discussion Regarding Project Labor Agreement. *(Staff recommendation enclosed.)*

Recommendation

The General Manager recommends that the Board of Directors authorize the execution of a project labor agreement with the Los Angeles/Orange Counties Building and Construction Trades Council.


6. DIRECTOR'S COMMENTS [2]
7. FUTURE AGENDA ITEMS [1]
8. ADJOURN TO CLOSED SESSION
Government Code Section 54957; Performance Review: General Manager.
9. RESUME REGULAR MEETING AND REPORT ON CLOSED SESSION
10. ADJOURNMENT - To a Regular Meeting of the Board of Directors to be held on July 5, 2011 at 6:30 p.m.

LEGEND: [1] INDICATES ACTION ANTICIPATED BY BOARD OF DIRECTORS ON THIS ITEM
[2] INDICATES INFORMATION ITEM - NO BOARD ACTION NECESSARY

PRESIDENT CHARLES M. TREVIÑO, PRESIDING



MEMORANDUM

UPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT 

5. (a) ACTION

DATE: June 23, 2011
TO: Administrative Committee
FROM: General Manager
SUBJECT: Authorize the General Manager to execute a professional services agreement with Camp, Dresser and McKee (CDM), for a not-to-exceed amount of \$222,950, to provide services for the preparation of an Integrated Resources Plan.

Recommendation

It is recommended that the Board of Directors authorize the General Manager to execute a professional services agreement with Camp, Dresser and McKee, for a not-to-exceed amount of \$222,950, to provide services for the preparation of an Integrated Resources Plan.

Background

An Integrated Resources Plan (IRP) provides a long-term strategy to guide a water district's investments in a balanced portfolio of water supplies that ensures a reliable and affordable long-term water supply.

Recent drought conditions and court-imposed restrictions on pumping water from the Sacramento River Delta have created uncertainty regarding the reliability and cost of water supply from the Metropolitan Water District of Southern California (Metropolitan). Surplus imported water was available 7 out of 10 years at a significant discount from full service rates. Surplus imported water is now estimated to be available only 3 out of 10 years or less. Therefore, Upper District must aggressively ensure the San Gabriel Valley's water supply reliability through investments in water use efficiency, recycling, stormwater capture and a reasonable reliance on imported water. Over the next 12 to 18 months, Upper District will develop an IRP to efficiently meet long-term water demands through a comprehensive, methodical process that includes coordination and input from Upper District's Board of Directors, staff and customers.

Selection process

Requests for proposals for development of an IRP were sent to seven firms. Upper District received three proposals including Camp, Dresser & McKee (CDM), RMC Water and Environment and a team consisting of HDR/CH2MHILL/Pacifica. A Proposal Evaluation Team consisting of Mr. Tony Zampietro, Assistant Executive Director, Main San Gabriel Basin Watermaster; Mr. Greg Galindo, General Manager, La Puente Valley County Water District; and Mr. Reymundo Trejo, Assistant

General Manager and Chief Engineer, Upper District, evaluated the proposals. The proposals were

evaluated on the proposing firm's experience with similar projects, qualifications of the proposed project manager and project team, project understanding and approach to the project and the level of effort and staffing plan required for the project. The Proposal Evaluation Team unanimously recommended selection of CDM to provide services for the preparation of the IRP. The resulting evaluation scores are as follows:

CDM	86
RMC Water and Environment	73
HDR/CH2MHILL/Pacifica Team	59

Subsequently, costs were compared for the base task. The base proposal costs were:

CDM	\$173,090
RMC Water and Environment	\$300,770
HDR/CH2MHILL/Pacifica Team	\$259,910

The CDM proposal presented the best qualifications with a team that completed more than 15 IRPs in California over the last ten years, including a recent IRP for MWD, Eastern MWD, City of Pasadena and Rancho California Water District. The fee presented by CDM was the most competitive of all proposals, demonstrating an appropriate level of effort for the project.

Based on the result of qualifications-based evaluation and the comparable costs presented, the Proposal Evaluation Team recommends awarding the contract to CDM as the best value of the qualified firms. Additionally, the Evaluation Team recommends awarding an optional task item to prepare the water demand analysis for the Upper District in the amount of \$49,860, bringing the total not-to-exceed fee to \$222,950.

Additionally, Upper District submitted a WaterSMART Grant Application on April 27, 2011 to the Bureau of Reclamation, applying for 50 percent grant funding assistance toward this project, with up to \$150,000 in grant funding assistance. The results of this grant application will become available in late summer of 2011.

The Board considered the above recommendation at its May 3, 2011 and May 17, 2011 meetings. No action was taken by the Board to approve the recommendation or to award a professional services agreement to another respondent. At the May 17, 2011 Board meeting, staff was directed to take another look at the proposals and to bring the award of a professional services agreement for preparation of the IRP back to the Administrative Committee.

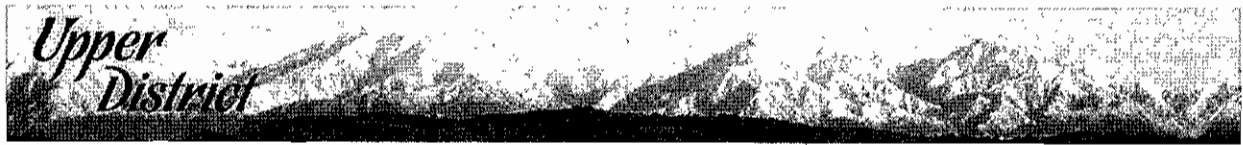
A second proposal evaluation team was convened and asked to evaluate the same proposals originally submitted and reviewed by the first proposal evaluation team. The second proposal evaluation team includes: Mr. Brandon Goshi, Manager-Water Resources Planning, Metropolitan Water District; Mr. Fernando Paludi, Planning Manager, West Basin Municipal Water District; Mr. Dan Arrighi, Water Resources Manager, San Gabriel Valley Water Company. The second proposal evaluation team's combined scores for the three proposals received are:

CDM	91
RMC Water and Environment	80
HDR/CH2MHILL/Pacifica Team	71

The combined scores of the second proposal evaluation team are higher overall for all three respondents. However, the relative ranking among the respondents is generally the same.

Scope of Services

CDM's scope of services includes analysis of water demands, defining the quantity, quality and reliability of water supply needed, developing alternatives for meeting the "gap" in water supply reliability that is identified, evaluation of the water supply alternatives and description of the optimum water supply portfolio for Upper District with an implementation plan to obtain the portfolio. A preferred resources portfolio with cost-benefit analysis of the options will be developed over a series of stakeholder workshops, where the Upper District customers and Board Members will participate to develop the final report and recommendations.



MEMORANDUM

UPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT 

5. (b) ACTION

DATE: June 24, 2011
TO: Board of Directors
FROM: General Manager
SUBJECT: Authorize the General Manager to execute a project labor agreement with the Los Angeles/Orange Counties Building and Construction Trades Council.

Recommendation

It is recommended that the Board of Directors authorize the General Manager to execute a project labor agreement (PLA) with the Los Angeles/Orange Counties Building and Construction Trades Council (Attachment 1).

Background

In March of 2010, the Board adopted Resolution No. 3-10-475 (Attachment 2) authorizing execution of project labor agreements (PLAs) for the Upper District's public works projects.

Staff retained Padilla and Associates (Padilla) to assist the Upper District, per the Resolution, with determining the feasibility and desirability of negotiating a PLA and to assist with the subsequent negotiation of a project labor agreement with the Building Trades Council. Padilla specializes in assisting project owners with the negotiation and administration of PLAs.

Padilla and staff negotiated terms included in the attached PLA which are favorable to Upper District. The PLA covers all Upper District public works construction projects in excess of \$125,000; covers all crafts; is for a five-year term from the date of execution; does not limit or restrict in any way the number or type (union/non-union) of contractors that may bid on Upper District's construction projects; protects Upper District from any work stoppages, strikes, sympathy strikes, or lockouts; and does not increase Upper District's construction costs.

Several dynamics are currently contributing toward potential disruptions in the labor markets. These include: continued weak recovery of the national economy and high rates of unemployment, an upcoming election cycle, and over a dozen master craft agreements will expire and be negotiated in 2011 and 2012. These factors make a limited PLA attractive at this time to ensure continued uninterrupted progress on the construction of the recycled water system.

Attachments

UPPER SAN GABRIEL VALLEY
MUNICIPAL WATER DISTRICT
PROJECT LABOR AGREEMENT
WITH THE
LOS ANGELES/ORANGE COUNTIES
BUILDING AND CONSTRUCTION
TRADES COUNCIL
Affiliated with the Building &
Construction Trades Department (AFL/CIO)
and its Affiliated Craft Councils and Local Unions

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NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES HERETO, AS FOLLOWS:

ARTICLE I
DEFINITIONS

- 1.1 "Agreement" means this Project Labor Agreement.
- 1.2 "Apprentice" means those employees indentured and participating in a Joint Labor/Management Apprenticeship Program approved by the State of California, Department of Industrial Relations, Division of Apprenticeship Standards.
- 1.3 "Joint Labor/Management Apprenticeship Program" as used in this Agreement means a joint Union and Contractor administered apprenticeship program certified by the Division of Apprenticeship Standards, Department of Industrial Relations of the State of California.
- 1.4 "Committee" means Joint Administrative Committee as described in Article XI of this Agreement.
- 1.5 "Construction Contract" and "Construction Contracts" means any contract entered into by the District for: actual specialty construction work that exceeds Twenty-Five Thousand Dollars (\$25,000.00); or actual general construction work that exceeds One Hundred and Twenty-Five Thousand Dollars (\$125,000.00) at the time the contract for construction is entered into.
- 1.6 "Contractor/Employer" or "Contractors/Employers" means any individual firm, partnership or corporation, or combination thereof, including joint ventures, which is an independent business enterprise and which has entered into a Construction Contract or Inspection Services Contract with the District or any of its contractors or any of the District's or contractor's subcontractors of any tier, with respect to the construction or inspection of any part of a Project under contract terms and conditions approved by the District and which incorporate this Agreement.
- 1.7 "District" means the UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT.
- 1.8 "Inspection Services" means work performed by Inspectors.
- 1.9 "Inspection Services Contract" means any agreement that provides in the scope of services for work to be performed by Inspector(s) on a District Project.

1.10 "Inspector" or "Inspectors" means the classifications of Building/Construction Inspector and Field Soils and Material Testers performing work on a Project including work as defined in the State of California Prevailing Wage Determination scope of work for said craft(s) whether the work is performed under these classifications pursuant to a professional services agreement or a Construction Contract.

1.11 "Letter of Assent" means the document that each Contractor (of any tier) must sign and submit to the District before beginning any Project Work, which formally binds such Contractor(s) to adherence to all the forms, requirements and conditions of this Agreement in the form attached hereto as Attachment A.

1.12 "Material Supplier" or "Material Suppliers" means a manufacturer, fabricator, supplier, distributor, or vendor having a direct contract with the Contractor/Employer or any subcontractor to furnish materials or equipment to be used on or incorporated in the Project work by the Contractor/Employer or any subcontractor.

1.13 "Plan" means the plan for the Settlement of Jurisdictional Disputes in the Construction Industry.

1.14 "Project" or "District Project" means the construction work to be performed on District property or within easements secured by the District consisting of the construction of public works , pursuant to a Construction Contract entered into by the District.

1.15 "Schedule A" as used in this Agreement means the local collective bargaining agreements of the signatory unions having jurisdiction over the Project Work, as more particularly described in Section 2.3.

1.16 "Subscription Agreement" means the contract between a Contractor/Employer and a Union's Labor/Management Trust Fund(s) that allows the Contractor to make the appropriate fringe benefit contributions in accordance with the terms of the contract.

1.17 "Union" or "Unions" or "Signatory Unions" means the Los Angeles/Orange Counties Building and Construction Trades Council, affiliated with the Building & Construction Trades Department (AFL/CIO) (hereinafter "Council") and its affiliated Craft Unions, District Councils and other construction labor organization signatory to this Agreement, whose names are subscribed hereto and who have through their officers executed this Agreement.

ARTICLE II

SCOPE OF AGREEMENT

2.1 Parties: Unless otherwise provided or limited herein, this Agreement shall apply to the District's Contractors/Employers entering into Construction Contracts or Inspection Services Contracts, Contractors/Employers performing work or agreeing to perform work as subcontractors or otherwise in regards to Construction Contracts or Inspection Services Contracts, and the Los Angeles/Orange Counties Building and Construction Trades Council affiliated with the Building & Construction Trades Department (AFL/CIO), Craft Council and Local Unions and any other labor organization signatory to this Agreement, acting on their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement ("Signatory Unions").

2.2 Project Description: This Agreement shall apply to all Construction Contracts as defined in Article 1, Section 1.5 above, and Inspection Services Contracts, as defined in Article 1, Section 1.9 above, unless specifically excluded or limited in Article II, Section 2.4 below. This Agreement shall in no way limit the District's right to terminate, modify or rescind a Construction Contract or Inspection Services Contract and the District has the sole discretion and right to combine, consolidate, cancel, terminate or take other action regarding Construction Contracts or Inspection Services Contract or portions of Construction Contracts or Inspection Services Contract identified as part of this Agreement. Should the District remove or terminate any contract or agreement for construction or Inspection Services that does not fall within the scope of this Agreement and thereafter authorize that work be commenced on any contract for construction or Inspection Services, the contract for construction or Inspection Services may, at the sole election of the District, be performed under the terms of this Agreement.

2.3 Project Labor Disputes: The provisions of this Agreement, including the Schedule A Agreements, (which are the local collective bargaining agreements of the signatory Unions having jurisdiction over the work on the Project, as such may be changed from time-to-time and which are incorporated herein by reference) shall apply to the work covered by this Agreement. It is further agreed that, where there is conflict, the terms and conditions of this Agreement shall supersede and override terms and conditions of any and all other national, area, or local collective bargaining agreements (Schedule A Agreements) except for all work performed under the NTL Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, all instrument calibration work and loop checking shall be performed under the

terms of the UA/IBEW Joint National Agreement for Instrument and control systems Technicians, and the National Agreement of the International Union of Elevator Constructors, with the exception of Article IV (Work Stoppages, Strikes, Sympathy Strikes and Lockouts), Article XII (Dispute Resolution Procedure) and Article XIII (Jurisdictional Disputes) of this Agreement, which shall apply to such work. All disputes relating to the interpretation or application of this Agreement shall be subject to resolution by the grievance arbitration procedure set forth in Article XII of this Agreement except for those disputes exempted from the grievance procedure pursuant to Article IX. Where a subject is covered by a provision in a Schedule A Agreement and not covered by this Agreement, the provision of the Schedule A Agreement shall prevail. Any dispute as to the applicable source between this Agreement and any Schedule A Agreement for determining the wages, hours of working conditions of employees on a Project shall be resolved under the grievance procedures established in this Agreement.

2.4 Exclusions. This Agreement shall not apply to:

(A) Construction work performed at any time prior to the effective date, or after the expiration or termination of this Agreement.

(B) District contracts for actual specialty construction work that are Twenty-Five Thousand Dollars (\$25,000.00) or less and District contracts for actual general construction work that are One Hundred and Twenty-Five Thousand Dollars (\$125,000.00) or less at the time the Construction Contract is entered into.

(C) The award of District contracts which are outside the approved scope of the District.

(D) Service contracts or operation or maintenance contracts entered into by the District including, but not limited to, services provided at any existing District facility or building, or the operation or maintenance of any District owned and operated system, facility, building, or landscaping.

(E) A Contractor's/Employer's non-manual employees including, but not limited to, superintendents, supervisors, staff engineers, quality control and quality assurance personnel, time keepers, mail carriers, clerk, office workers, messengers, guards, safety personnel, emergency medical and first aid technicians, and other engineering, administrative, supervisory, and management employees (except those covered by existing building and construction trades collective bargaining agreements).

(F) Material Suppliers or delivery by any means of material, supplies, or equipment required to any point of delivery.

(G) Officers and employees of the District.

(H) The work of persons, firms and other entities that perform consulting, planning, scheduling, design, environmental, geological, management, or other supervisory services on any District Project including, but not limited to, consultants, engineers, architects, geologists, construction managers, and other professionals hired by the District or any other governmental entity.

(I) This Agreement shall not apply to any Project, Construction Contract or Inspection Services Contract that receives funding or assistance from any federal, state, local or other public entity if a requirement, condition or other term of receiving said funding or assistance is that the District not require, bidders, contractors, subcontractors or other persons or entities to: enter into an agreement with one or more labor organizations; or enter into an agreement that contains any of the terms set forth herein.

ARTICLE III **EFFECT OF AGREEMENT**

3.1 By executing the Agreement, the Unions and the District agree to be bound by each and all of the provisions of the Agreement. It is specifically agreed that no later agreement shall be deemed to have precedence over this Agreement unless signed by all parties signatory hereto who are then currently employed or represented at the Project.

3.2 By accepting the award of a Construction Contract or Inspection Services Contract or entering into a contract to perform work pursuant to a Construction Contract or Inspection Services Contract whether as a contractor or subcontractor, the Contractor/Employer agrees to sign the Letter of Assent as shown in Attachment A and be bound by each and every provision of the Agreement.

3.3 It is understood that this Agreement constitutes a self-contained, stand-alone agreement and that, by virtue of having become bound to this Agreement, the Contractor/Employer will not be obligated to sign any local, area or national collective bargaining agreement as a condition of performing work within the scope of this Agreement.

3.4 At the time that any Contractor/Employer enters into a subcontract with

any subcontractor providing for the performance of a Construction Contract or Inspection Services Contract, the Contractor/Employer shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor as a part of accepting the award of a construction or Inspection Services subcontract to agree in writing in the form of a Letter of Assent, see attachment A, to be bound by each and every provision of this Agreement prior to the commencement of any work on the Project, to the extent provided herein.

3.5 This Agreement shall only be binding on the signatory Contractor/Employers hereto in regards to the applicable Construction Contract or Inspection Services Contract and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any Contractor/Employers or any other contract for construction or project to which this Agreement does not apply.

3.6 This Agreement shall be included as a general condition of all applicable Construction Contracts and Inspection Services Contracts for which the District requests bids or proposals.

3.7 The District reserves the exclusive right, at its own discretion, to assign a PLA Manager to monitor compliance with this Agreement and assist as the authorized representative of the District, in developing and implementing the programs referenced herein, all of which are critical to fulfilling the intent and purpose of the Parties and this PLA; and to otherwise implement and administer the PLA, which includes but is not limited to the verification of core employee status, the collection of contractor Letters of Assent, the administration of the dispute resolution process under Article XII of this Agreement and the reporting of local hire attainments. The PLA Manager shall not have the right to expand, terminate or modify this Agreement without the mutual consent of the Parties to this Agreement.

ARTICLE IV

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1 The Unions, District and Contractors/Employers agree:

(A) During the existence of this Agreement, there shall be no strike, sympathy strike, picketing, slowdown, withholding of work, refusal to work, walk-off, sit-down, stand-in, wobble, boycott, or other work stoppage, disruption, advising of the public that a labor dispute exists, or other impairment of any kind for any reason.

(B) As to employees employed on District Projects, there shall be no lockout of any kind by a Contractor/Employer covered by the Agreement. The

Contractor/Employer may lay off employees for lack of work, or in the event that a strike, picketing or other disruption impedes the work of the Project covered by this Agreement.

(C) No picket lines will be established at the job site by any of the Unions. The Unions agree that they will not sanction in any way any picket line or other impairment of the work on any District Project, subject to this Agreement, and will affirmatively take all measures necessary to require their respective members to cross any and all picket lines and report for work as scheduled and that responsible representatives of the Unions who are employed on District Projects, subject to this agreement, will also do so themselves.

(D) Notwithstanding any provision of this Agreement to the contrary, it shall not be a violation of this Agreement for any Union to withhold the services of its members (but not the right to picket) from a particular Contractor who:

(i) fails to timely pay its weekly payroll; or

(ii) fails to make timely payments to the Union's Labor/Management Trust Funds in accordance with the provisions of the applicable Schedule A Agreements. Prior to withholding its members services for the Contractor's failure to make timely payments to the Union's Labor/Management Trust Funds, the Union shall give at least ten (10) days (unless a lesser period of time is provided in the Union's Schedule A Agreement, but in no event less than forty-eight (48) hours) written notice of such failure to pay by registered or certified mail, return receipt requested, and by facsimile transmission to the involved Contractor. Union will meet within the ten (10) day period to attempt to resolve the dispute.

(iii) Upon the payment of the delinquent Contractor of all monies due and then owing for wages and/or fringe benefit contributions, the Union shall direct its members to return to work and the Contractor shall return all such members back to work.

4.2 Expiration of Local Agreements. If local, regional, and other applicable labor agreements expire during the term of this Agreement, it is specifically agreed that there shall be no strike, sympathy strike, picketing, lockout, slowdown, withholding of work, refusal to work, walk-off, sick-out, sit-down, stand-in, wobble, boycott or other work stoppage, disruption, advising of the public that a labor dispute exists, or other impairment of any kind as a result of the expiration of any local, regional or other applicable labor agreement having application at any District Project and/or failure of the parties to that agreement to reach a new contract. Terms and conditions of employment established and

set for purposes of prevailing wage requirements under the labor agreement or as required by law at the time of bid or thereafter shall remain established and set. Otherwise to the extent that such a local, regional, or other applicable labor agreement does expire and the parties to that agreement have failed to reach agreement on a new contract, work will continue on all District Projects on one of the following two basis, both of which will be offered by the Unions involved to the Contractors/Employers affected:

(A) Each of the Unions with a contract expiring must offer to continue working on all District Projects under interim agreements that retain all the terms of the expiring contract, except that the Unions involved in such expiring contracts may each propose wage rates and employer contribution rates to employee benefit funds under the prior contract different from what those wage rates and employer contributions rates were under the expiring contracts provided, however, that the proposal does not violate state and/or federal prevailing wage laws required to be paid on public works projects. The terms of the Union's interim agreement offered to Contractors/Employers will be no less favorable than the terms offered by the Union to any other employer or group of employers covering the same type of construction work in Los Angeles County.

(B) Each of the Unions with a contract expiring must offer to continue working on all District Projects under all the terms of the expiring contract, including the wage rates and employer contribution rates to the employee benefit funds, provided that said wage rates comply with state and/or federal prevailing wage laws, if the Contractor/Employers affected by that contract agree to the following retroactivity provisions: if a new local, regional or other applicable labor agreement for the industry having application at District Projects is ratified and signed during the term of this Agreement and if such new labor agreement provides for retroactive wage increases, then each affected Contractor/Employer shall pay to its employees who performed work covered by the Agreement at District Projects during the hiatus between the effective dates of such labor agreements, an amount equal to any such retroactive wage increase established by such new labor agreement, retroactive to whatever date is provided by the new local, regional or other applicable agreement for such increase to go into effect, for each employee's hours worked on all District Projects during the retroactive period. An agreed labor agreement must not violate any requirements of state and/or federal prevailing wage laws. All parties agree that such affected Contractor/Employer shall be solely responsible for any retroactive payment to its employees and that neither the District nor any other Contractor/Employer has any obligation, responsibility or liability whatsoever for any such retroactive payments or collection of any such retroactive payments, from any such Contractor/Employer.

(C) Some Contractors/Employers may elect to continue to work on the Project under the terms of the interim agreement option offered under paragraph (1) above and other Contractors/Employers may elect to continue to work on the Project under the retroactivity option offered under paragraph (2) above. To decide between the two options, Contractor/Employers will be given one week after the particular labor agreement has expired or one week after the Union has personally delivered to the Contractor/Employer in writing its specific offer of terms of the interim agreement pursuant to paragraph (1) above, whichever is the later date.

4.3 Expedited Arbitration will be utilized for all Work Stoppages and Lockouts. In lieu of, or in addition to, any other action at law or equity, which is also available, any party may institute the following procedure when a breach or violation of Article IV is alleged.

(A) The party invoking this procedure shall notify the permanent Arbitrator next in sequence from the following list: Walter Dougherty, Mark Burnstein, Fred Horowitz, Michael Rappaport and Louis Zigman. The parties agree these shall be the five permanent Arbitrators under this procedure. In the event that none of the five permanent Arbitrators are available for a hearing within 24 hours, the party invoking the procedure shall have the option of delaying until one of the four permanent Arbitrators is available or of asking the permanent Arbitrator that would normally hear the matter to designate an arbitrator to sit as a substitute Arbitrator for this dispute. If any of the permanent Arbitrators ask to be relieved from their status as a permanent Arbitrator, the parties shall mutually select a new permanent Arbitrator. Expenses incurred in arbitration shall be borne equally by the parties involved in the Arbitration and the decision of the Arbitrator shall be final and binding on the parties, provided, however, that the Arbitrator shall not have the authority to alter or amend or add to or delete from the provisions of this Agreement in any way.

(B) Notice to the Arbitrator shall be by the most expeditious means available, including telephone, with notice by facsimile or Email to the party alleged to be in violation and to the Building Trades Council. If the District is not a party to the Arbitration, it shall receive notice by telephone, with notice by facsimile or Email.

(C) Upon receipt of said notice, the permanent Arbitrator shall set and hold a hearing, if the violation still exists or if the party alleging the breach requests, the hearing shall be set and held within twelve (12) hours if possible and within twenty-four (24) hours if not. Otherwise, the hearing shall be set and held within forty-eight (48) hours or such later time to which the party alleging

the breach consents.

(D) The Arbitrator shall notify the parties by telephone and by facsimile or Email of the place and time he has chosen for this hearing. If the District is not a party to the Arbitration, it shall receive notice of the place and time of the hearing by telephone and by facsimile or Email. Notice shall be given to the individual Unions alleged to be involved. Said hearing shall be completed in one session. A failure of any party or parties to attend said hearing shall not delay the hearing of evidence or issuance of an award by the Arbitrator. If the District is not a party to the Arbitration, the District shall have the right to attend the hearing and provide any relevant information to the Arbitrator.

(E) The sole issue at the hearing shall be whether or not a violation of Sections 4.1 or 4.2 of this Article has in fact occurred, and the Arbitrator shall have no authority to consider any other types of violation of this Agreement or to award damages, which issue is reserved for court proceedings, if any. For purposes of deciding this issue, the actions of individual craft workers engaging in conduct described in sections 4.1 or 4.2 shall constitute violations of the sections by the Unions representing these individuals. Similarly, conduct described in sections 4.1 or 4.2 carried out by unions not signatory to this Agreement shall constitute violations of this Agreement by any Union signatory to this Agreement that is a sister union, subsidiary union, or parent of the offending non-signatory union. The Award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an Opinion. Irrespective of the Arbitrator's decision of whether Sections 4.1 or 4.2 have been breached, the Arbitrator may retain jurisdiction over the parties for violations, occurring during the succeeding seven days and shall convene additional proceedings upon request to hear further evidence of breaches of sections 4.1 or 4.2. If the District, in cases where the District is not a party to the Arbitration, or party to the Arbitration, desires an Opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement, of the Award. If the Arbitrator finds that a violation of Sections 4.1 or 4.2 of this Article has occurred, the Arbitrator in his written Award shall order cessation of the violation of this Article and a return to work and other appropriate relief, and such Award shall be served on all parties, and on the District, if the District is not a party to the Arbitration, by hand, facsimile or registered mail upon issuance. The Award will be final and binding on the parties to the Arbitration, including the individual craft workers on District Projects represented by any of the Unions subject to the Award.

(F) Such Award may be enforced by any court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to hereinabove in the following manner. Telephonic or facsimile notice

of the filing of such enforcement proceedings shall be given to the party against whom the Award is sought to be enforced. In the proceeding to obtain a temporary order enforcing the Arbitrator's Award, all parties agree that such proceedings may be heard ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order enforcing the Award. The Court's order or orders enforcing the Arbitrator's Award shall be served on all parties to this Agreement by hand, by facsimile, by delivery to their last known address or by registered mail.

(G) Any rights created by statute or law governing arbitration proceedings or judicial proceedings inconsistent with the above procedure or which interfere with compliance therewith are hereby waived by the parties to whom they accrue.

(H) The fees and expenses of the Arbitrator shall be divided equally between the moving party or parties and the responding party or parties.

(I) The procedures contained in this Section 4.3 shall be applicable to alleged violations of this Article to the extent any conduct described in Section 4.1 or 4.2 occurs on the Project. Disputes alleging violation of any other provision of this Agreement, including any underlying disputes alleged to be in justification, explanation, or mitigation of any violation of Section 4.1 or 4.2, shall be resolved under the applicable grievance adjudication procedures for these other Articles.

ARTICLE V **NO DISCRIMINATION**

5.1 The Contractor/Employers and Unions agree not to engage in any form of discrimination on the ground of, or because of, race, religion, national origin, ancestry, sex, sexual orientation, age, physical handicap, marital status or medical condition.

ARTICLE VI **UNION SECURITY**

6.1 The Contractors/Employers recognize the Unions as the sole bargaining representatives of all craft employees working within the scope of this Agreement.

6.2 No employee covered by this Agreement shall be required to join any Union as a condition of being employed, or remaining employed, for the completion of the Project work; provided, however, that any employee who is a

member of a Union at the time the referring Union refers the employee, shall maintain that membership in good standing while employed on the Construction Contract, Inspection Services Contract or Project. The Contractor/Employer shall, however, require all employees working on a Construction Contract, Inspection Services Contract or Project, to the extent which this Agreement applies, to comply with the applicable Union security provisions for the period during which they are performing on-site Project work to the extent, as permitted by law, of rendering payment of the applicable monthly dues and working dues.

ARTICLE VII **REFERRAL**

7.1 The Contractors/Employers recognize that the Unions shall be the primary source of all craft labor employed on District Projects. In the event that a Contractor/Employer has his/her own core workforce, said Contractor/Employer shall follow the procedures outlined below.

(A) An employee shall be considered a member of a Contractor's/Employer's core workforce for the purposes of this Article if the employee's name appears on the Contractor's/Employer's active payroll for 60 of the 100 working days immediately before award of the Construction Contract or Inspection Services Contract to the Contractor/Employer; must be properly licensed to perform the work; must live within the zip codes included in the geographic area serviced by the District; and must be capable of safely performing the work.

(B) The Contractor/Employer shall identify Core Workers in their Employment Hiring Plan and shall provide payroll records and such other evidence as may be necessary evidencing the worker's qualification as a Core Worker. The number of Core Workers on Projects covered by this Agreement shall be governed by the following procedure: one Core Worker shall be selected and one worker from the hiring hall of the affected trade or craft and this process shall repeat until such Contractor/Employer's requirements are met or until such Contractor/Employer has hired five (5) such Core Workers for that craft, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall list. In the event of a reduction-in-force or layoff, such will take place in a manner to assure that the number of remaining "core" employees in the affected craft does not exceed, at any time, the number of others working in that craft who were employed pursuant to other procedures available to the Contractor/Employer under this Agreement. This provision applies only to employees not currently working under a current master labor agreement and is not intended to limit transfer provisions of current master labor agreements of any trade. As part of

this process, and in order to facilitate the contract administration procedures, as well as appropriate benefit fund coverage, all contractors shall require their "core work force" and any other persons employed other than through the referral process, to register with the appropriate hiring hall, if any, before they begin any work of the project.

(C) Upon request by any party to this Agreement, the Contractor hiring any core employee shall provide satisfactory proof in the form of two (2) of the following documents (payroll records, quarterly tax records, employee driver's license, voter registration, postal address) evidencing the core employee's qualification as a core employee.

7.2 Contractors/Employers shall be bound by and utilize the registration facilities and referral systems established or authorized by this Agreement and the signatory Unions when such procedures are not in violation of state or federal law.

7.3 In the event that referral facilities maintained by the Unions are unable to fill the requisition of a Contractor/Employer for qualified employees within a forty eight (48) hour period after such requisition is made by the Contractor/Employer, the Contractor/Employer shall be free to obtain work persons from any source. The Contractor shall inform the Union of any applicants hired from other sources, within twenty-four hours of hiring, and such applicants shall register with the appropriate hiring hall, if any, prior to beginning work on the Project and abide by all of the other requirements imposed by this Agreement.

7.4 Unions will be required to recruit sufficient numbers of skilled craft persons to fulfill the requirements of the Contractors/Employers. In recognition of the fact that the communities closest to the Project will be impacted by the construction of these Projects, the parties agree to support the development of increased numbers of construction workers from residents of these communities. Toward that end, the Unions agree to make a concentrated effort to recruit residents of the District's area enrolled in local trade schools or otherwise and to refer and utilize qualified District area residents on the Projects. The Unions shall submit written documentation to the District on an annual basis which sets forth the steps taken by the Unions to recruit, refer and utilize qualified District area residents and the number of District area residents recruited by the Unions and referred to or utilized on the Projects. In recognition of the District's mission to serve the residents residing within the zip codes within the geographic area serviced by the District, the Unions and Contractors/Employers agree that, to the extent allowed by law, and as long as they possess the requisite skills and qualifications, residents residing within the zip codes within the geographic area

serviced by the District shall be first referred for Project work, including journeypersons, apprentices, or other positions. The purpose of this section is to provide employment opportunities for those residents, which live in communities within the geographic area serviced by the District, which have historically been economically depressed.

7.5 A goal of 30% of all of the labor and craft positions shall be from workers residing within the Project area described in Section 7.4 above.

7.6 Contractors and Unions acknowledge the importance of hiring "at risk" workers and agree to the use of the Craft Request Form attached hereto and incorporated as "Attachment C." The Craft Request Form provides for voluntary reporting of "at risk" status by an individual. The following criteria will be used to identify the "at risk" worker:

- Household income below 50% of the median
- Homeless;
- Welfare recipient;
- Unemployed; and
- Single parent.

7.7 Helmets to Hardhats:

(A) The Employers and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction trades industry. The employers and unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center") and the Center's "Helmets to Hardhats" Program to serve as a resource for preliminary orientation, assessment of the construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

(B) The Unions and Employers agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on this Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE VIII

WAGES & BENEFITS

8.1 All employees covered by this Agreement shall be classified in

accordance with work performed and paid by the Contractors/Employers, the hourly wage rates for those classifications in compliance with the applicable prevailing wage rate determination established pursuant to applicable law. If a prevailing rate increases under law, the contractor shall pay that rate as of its effective date under the law. Notwithstanding any other provision in this Agreement, including section 2.3, this Agreement does not relieve Contractors/Employers from any independent contractual obligation they may have to pay wages in excess of the prevailing wage rate as required.

8.2

(A) Contractors/Employers which are not signatory to the established Labor/Management Trust Fund agreements, as specified in the Schedule A Agreements for the craft workers in their employ, shall sign a "Subscription Agreement" with the appropriate Labor/Management Trust Fund covering the work performed under this agreement.

(B) Contractors/Employers shall pay contributions to the established Labor/Management Trust Fund in the amounts designated by the Unions and make all employee-authorized deductions in the amounts designated by the Unions; provided, however, that the Contractor/Employer and Union agree that only such bona fide employee benefits as accrue to the direct benefit of the employees (such as pension and annuity, health and welfare, vacation, apprenticeship, training funds, etc.) shall be included in this requirement and required to be paid by the Contractor/Employer on the Project; and provided further, however, that such contributions shall not exceed the contribution amounts set forth in the applicable prevailing wage determination. Notwithstanding any other provision in this Agreement, including section 2.3, this Agreement does not relieve a Contractor/Employer from any independent contractual obligation they may have to make all contributions set forth in the amounts contained in those Schedule A Agreements without reference to the forgoing.

8.3 The Contractor/Employer adopts and agrees to be bound by the written terms of the applicable, legally established, trust agreement(s), to the extent said trust agreements are consistent with this Agreement, specifying the detailed basis on which payments are to be made into, and benefits paid out of such trust funds for the Contractor's/Employer's employees. The Contractor/Employer authorizes the parties to such trust funds to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the Contractor/Employer.

ARTICLE IX
EMPLOYEE GRIEVANCE PROCEDURE

9.1 Should a grievance arise regarding the imposition of discipline of an employee, or the dismissal of an employee, working on Project work, all such grievance(s) shall be processed, exclusively, under the grievance procedure contained in the applicable Schedule A Agreement for the craft Union representing such employee(s) and not under the provisions of the Dispute Resolution Procedure of Article XII.

ARTICLE X
COMPLIANCE

10.1 It shall be the responsibility of the Contractors/Employers and Unions to investigate and monitor compliance with the provisions of the Agreement contained in Article VIII. The District may designate a representative to monitor and investigate issues related to this Agreement including, but not limited to, the prevailing wage requirements, local and "At Risk" hiring compliance, and the affirmative action provisions of the District.

ARTICLE XI
JOINT ADMINISTRATIVE COMMITTEE

11.1 The Parties to this Agreement shall establish a six (6) person Joint Administrative Committee (JAC). This JAC shall be comprised of three (3) representatives selected by the District and three (3) representatives selected by the Council to monitor compliance with the terms and conditions of this Agreement. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this Agreement.

11.2 The JAC shall meet as required to review the implementation of this Agreement, the progress of the Project and resolve problems or disputes by majority vote with such resolutions to be binding on all signatories of the Agreement. A unanimous decision of the JAC shall be final and binding upon all Parties. However, the JAC shall have no authority to make determinations upon or to resolve grievances arising under this Agreement.

11.3 A quorum will consist of at least two (2) District and two (2) signatory union representatives. For voting purposes, only an equal number of District and signatory union representatives present may constitute a voting quorum.

ARTICLE XII
DISPUTE RESOLUTION PROCEDURE

12.1 Disputing parties are encouraged to meet as soon as possible and try to reach an agreement to resolve the dispute. However, if an agreement cannot be reached, the following procedure shall be used.

The parties understand and agree that in the event any dispute arises out of the meaning, interpretation or application of the provisions of this Agreement, the same shall be settled by means of the procedures set out herein. Employee grievances regarding the imposition of discipline of an employee, or the dismissal of an employee shall be processed, exclusively, under Article IX of this Agreement. No disputes shall be recognized unless the disputing party (the District, one of the signatory Unions, or a Contractor/Employer) provides notice in writing to the signatory party with whom it has a dispute within five (5) days after becoming aware of the dispute but in no event more than thirty (30) days after it reasonably should have become aware of the event giving rise to the dispute. In any cases where the District is not a party to the dispute, the District shall be provided with notice by telephone and facsimile or Email of the dispute by the complaining party. The time limits set forth in this Article may be extended by the mutual written agreement of the parties.

12.2 Disputes shall be settled according to the following procedures:

Step 1: Within five (5) business days after the receipt of the written notice of the dispute, the Business Representative of the involved Union, or his/her designee, the representative of the involved Contractor/Employer, and at the discretion of District, a representative of the District, shall confer and attempt to resolve the dispute. In the event that the representatives are unable to resolve the dispute within the five (5) business days after conferring on the dispute, the grieving party may send written notice, within ten (10) calendar days of conferring, to the responding party that the matter is being moved to Step 2.

Step 2: The business manager of the involved local Union or his designee, together with the site representative of the involved Contractor/Employer, shall meet within seven (7) working days of the referral of the dispute to this second step to arrive at a satisfactory settlement thereof. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days after the initial meeting at Step 2.

Step 3: If the grievance shall have been submitted but not resolved

under Step 2, the grieving party may request in writing to the other party, within seven (7) calendar days after the initial Step 2 meeting, that the grievance be submitted to an arbitrator selected from the list of permanent arbitrators as listed in Article IV. The grieving party shall strike one of the arbitrators from the list, and the responding party shall strike the next arbitrator from the list, until one arbitrator is left, who shall hear the case. The arbitrator shall hear the case at the first available date. The arbitrator's decision shall be final and binding upon the parties. The arbitrator's decision shall not alter the language of the Project Agreement.

12.3 Failure to process a dispute within the time limits provided above, shall be deemed a waiver of such dispute without prejudice and without precedent to the processing and/or resolution of like or similar disputes. The fees and expenses incurred by the arbitrator shall be paid equally between the parties to the dispute.

12.4 In order to encourage the resolution of mutually agreeable settlements, the parties agree that any settlement shall not be precedent setting.

ARTICLE XIII **JURISDICTIONAL DISPUTES**

13.1 The assignment of work will be solely the responsibility of the Contractor/Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan then in affect.

13.2 All jurisdictional disputes on this Project, between or among Building and Construction Trades Unions and Contractors/Employers shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding, and conclusive on the Contractors/Employers and Unions.

13.3 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's/Employer's assignment shall be adhered to until the dispute is resolved. Individuals violating this section shall be subject to immediate discharge.

13.4 Each Contractor/Employer will conduct a pre-job conference with the Council prior to commencing work on the Project or within five (5) days of the

award of any project work, whichever is later. The District will be advised in advance of all such conferences and may participate if it wishes.

ARTICLE XIV **MANAGEMENT RIGHTS**

14.1 The Contractor/Employers retain full and exclusive authority for the management of their operations. This includes, but is not limited to, the right to direct their working force and to establish coordinated working hours and starting times, which shall not be in conflict with the Schedule A agreements or this Project Labor Agreement.

14.2 There shall be no limit on production by workers or restrictions on the full use of tools or equipment. Craftsmen using tools shall perform any of the work of the trades and shall work under the direction of the craft foremen. There shall be no restrictions on efficient use of manpower other than as may be required by safety regulations. The Contractors/Employers may utilize the most efficient methods or techniques of construction, tools or other labor-saving devices to accomplish the work. Restrictive practices not a part of the terms and conditions of the Agreement will not be recognized.

14.3 The Contractor/Employer shall be the sole judge of the number and classifications of employees required to perform work subject to this Agreement. The Contractor/Employer shall have the absolute right to hire, promote, suspend, discharge or lay off employees at their discretion and to reject any applicant for employment, subject to the provisions of the respective craft collective bargaining agreement between the particular Contractor/Employer and Union and pursuant to this Agreement.

14.4 Nothing in this Agreement shall be construed to limit the right of any of the Contractors/Employers to select the lowest bidder he deems qualified for the award of contracts or subcontracts or material, supplies, or equipment purchase orders on the Project. The right of ultimate selection remains solely with the Contractor/Employer in accordance with the Construction Contract or Inspection Services Contract.

14.5 It is recognized that certain materials, equipment and systems of a highly technical or technological and specialized nature will have to be installed at the Project. The nature of the materials or the nature of the equipment and systems, together with requirements of manufacturer's warranty, dictate that it be prefabricated, pre-piped, prewired and/or installed under the supervision and direction of the City's, Contractor's/Employer's and/or manufacturer's personnel. The Unions agree that such materials, equipment and systems may be installed

under the supervision and direction of the District representative, the Contractor's/Employer's or the manufacturer's personnel. The unions agree that such materials, equipment and systems shall be installed without the occurrence of any conduct described in Sections 4.1 and 4.2.

ARTICLE XV **APPRENTICES**

15.1 The parties recognize the need to maintain continuing support of the programs designed to develop adequate numbers of competent workers in the construction industry, the obligation to capitalize on the availability of the local work force and the opportunities to provide continuing work under the construction program funded by the District and other public agencies. To these ends, the parties will facilitate, encourage, and assist local residents to commence and progress in Labor/Management Apprenticeship and/or training Programs in the construction industry leading to full participation in the construction industry. The District, along with its consultants, if any, and the Council, will work cooperatively to identify, or establish and maintain, effective programs and procedures for persons interested in entering the construction industry and which will help prepare them for the formal joint labor/management apprenticeship programs maintained jointly by the signatory unions and Contractors. The Unions acknowledge that it is of particular importance to the District that these efforts be directed towards residents which reside in the geographic area serviced by the District.

15.2

(A) At least 20% of total work hours on each project will be performed by apprentices, but the hours performed by apprentices in each individual craft shall not exceed the ratio to journeymen established by the applicable craft union's DAS approved apprenticeship standards.

(B) The Unions agree to cooperate with the Contractor/Employer in furnishing apprentices, with a preference of up to 30% for those apprentices who reside in the District's service area, as requested up to the maximum percentage allowable. The apprentice ratio for each craft shall be in compliance, at a minimum, with the applicable provisions of the Labor Code relating to utilization of apprentices. The Authority shall encourage such utilization, and, both as to apprentices and the overall supply of experienced workers, the Project Labor Coordinator will work with the Council to assure appropriate and maximum utilization of apprentices and the continuing availability of both apprentices and journey persons.

(C) All apprentices shall work under the direct supervision of a journeyman from the trade in which the apprentice is indentured. A journeyman shall be defined as set forth in the California Code of Regulations, Title 8 [apprenticeship] section 205, which defines a journeyman as a person who has either completed an accredited apprenticeship in his or her craft, or has completed the equivalent of an apprenticeship in length and content of work experience and all other requirements in the craft which has workers classified as journeyman in the apprenticeable occupation. Should a question arise as to a journeyman's qualification under this subsection, the Contractor shall provide adequate proof evidencing the worker's qualification as a journeyman.

15.3 To carry out the intent and purpose of this Article, a subcommittee of the Labor Management Committee established pursuant to Article --- shall be established, jointly chaired by a designee of the District and a designee of the Council, to oversee the identification and for effective development of procedures and programs leading to the full utilization of apprenticeship programs, and to work with representatives of each signatory craft's joint apprenticeship committee ("JAC") and representatives of the District's area technical schools to establish appropriate criteria for recognition by such JACs of the educational and work experience possessed by District residents toward qualifying for entry or advanced level in the apprenticeship programs under the direction under such JACs. The Subcommittee will meet as necessary at the call of the joint chairs to promptly to facilitate its purposes in an expeditious manner as soon as this Agreement becomes effective. In addition to the joint chairs, the membership of the committee will consist of at least three representatives of the signatory local Unions and representatives of the Joint Apprenticeship Committees.

ARTICLE XVI

SAFETY, PROTECTION OF PERSON AND PROPERTY

16.1 It shall be the responsibility of each Contractor/Employer to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the District, the state and the Contractor/Employer. It is understood that the employees have an individual obligation to use diligent care to perform their work in a safe manner and to protect themselves and the property of the Contractor/Employer and the District.

16.2 Employees shall be bound by the safety, security and visitor rules established by the Contractor/Employer and the District. These rules will be published and posted in conspicuous places by the Contractor/Employer throughout the work site. An employee's failure to satisfy his obligations under this Section will subject him to discipline, including discharge.

16.3 The parties acknowledge that the District and Contractor/Employer have a policy, which prohibits the use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms while on the District's premises. Additionally, the Contractor/Employer has a "drug free" work place policy, which prohibits those working on the District's premises from having a level of alcohol in their system, which could indicate impairment, and/or any level of controlled substances (i.e., illegal drugs) in their system. To that end, the parties agree that the Labor/Management Memorandum of Understanding (MOU) on Drug Abuse Prevention and Detection negotiated with the various General Contractor Associations and the Basic Trades' Unions shall be the policy and procedure utilized under this agreement. The MOU is appended to this agreement as Attachment B.

ARTICLE XVII
PRE-JOB CONFERENCE

17.1 A pre-job conference shall be held prior to the start of work by the prime contractor for the Project covered by this Agreement. The purpose of the conference will be to, among other things, determine craft manpower needs, schedule of work for the contract and Project work rules/owner rules. All work assignments should be disclosed by the Contractor/Employer in accordance with industry practice and the Plan.

ARTICLE XVIII
UNION ACCESS AND STEWARDS

18.1 Authorized representatives of the Union shall have access to Project Work sites, provided that they do not interfere with the work of employees and further provided that such representatives fully comply with posted visitor, security and safety rules.

18.2

(A) Each signatory local Union shall have the right to dispatch a working journey person as a steward for each shift, and shall notify the Contractor/Employer in writing of the identity of the designated steward or stewards prior to the assumption of such person's duties as steward. Such designated steward or stewards shall not exercise any supervisory functions. There will be no non-working stewards. Stewards will receive the regular rate of pay for the respective crafts.

(B) In addition to his/her work as an employee, the steward should

have the right to receive but not to solicit, complaints or grievances and to discuss and assist in the adjustment of the same with the employee's appropriate supervisor. Each steward should be concerned only with the employees of the steward's Contractor and, if applicable, subcontractor(s), and not with the employees of any other Contractor. The Contractor/Employer will not discriminate against the steward in the proper performance of his/her union duties.

(C) When a Contractor/Employer has multiple, non-contiguous work locations at one site, the Contractor/Employer may request and the Union shall appoint such additional working steward(s) as the Contractor/Employer requests to provide independent coverage of one or more such locations. In such cases, a steward may not service more than one work location without the approval of the Contractor/Employer.

(D) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.

18.3 The Contractor/Employer agrees to notify the appropriate Union twenty-four (24) hours before the layoff of a steward, except in the case of disciplinary discharge of just cause. If the steward is protected against such layoff by the provisions of the applicable Schedule A, such provisions shall be recognized when the steward possesses the necessary qualifications to perform the remaining work. In any case in which the steward is discharged or disciplined for just cause, the appropriate Union will be notified immediately by the Contractor/Employer, and such discharge or discipline shall not become final (subject to any later filed grievance) until twenty-four (24) hours after such notice have been given.

18.4 On work where the personnel of the District may be working in close proximity to the construction activities covered by this Agreement, the Union agrees that the Union representatives, stewards, and individual workers will not interfere with the District personnel, or with personnel employed by the any other employer not a party to this Agreement.

ARTICLE XIX

TERM

19.1 To the extent provided herein, this Agreement shall commence and be applicable to all Construction Contracts and Inspection Services Contracts entered into sixty (60) days after execution of this Agreement by all parties.

19.2 The Agreement shall continue in full force and effect for a period of five

(5) years after the commencement date. The Agreement may subsequently be extended by written amendment if agreed to by the parties.

19.3 Any covered Project awarded during the term of this Agreement shall continue to be covered hereunder, until completion of the Project, notwithstanding the expiration date of this Agreement.

ARTICLE XX **MISCELLANEOUS PROVISIONS**

20.1 This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county.

20.2 Any notice, demand, request, document, consent, approval, or communication required by or to be given to District shall be sent to the District at its administration offices.

20.3 The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

20.4 The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said party is bound.

20.5 Any modification to this Agreement must be in writing executed by all parties hereto.

ARTICLE XXI **SAVINGS CLAUSE**

21.1 The parties agree that in the event any article, provision, clause, sentence or work of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties

further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, sentence or work which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question. All parties signatory to this Agreement will be required to comply with the law.

21.2 The parties also agree that in the event that a decision of a court of competent jurisdiction materially alters the terms of the Agreement such that the intent of the parties is defeated, then the entire Agreement shall be null and void.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year written below.

THE UNION OFFICIALS signing this Agreement warrant and represent that they are authorized to collectively bargain on behalf of the organizations whom they represent and the members of such organizations.

[SIGNATURES ON FOLLOWING PAGE]

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT

Dated:

By:

LOS ANGELES/ORANGE COUNTIES BUILDING AND CONSTRUCTION
COUNCIL

Dated:

By:

UPPER SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT
PROJECT LABOR AGREEMENT

CRAFT UNIONS' SIGNATURE PAGE:

ATTACHMENT A – LETTER OF ASSENT

To be signed by all Contractors awarded work covered
by the Upper San Gabriel Valley Municipal Water District
Project Labor Agreement prior to commencing work

[Contractor's Letterhead]

Director
Upper San Gabriel Valley
Municipal Water District

Re: Upper San Gabriel Valley Municipal Water District Project Labor
Agreement – Letter of Assent

Dear Sir:

This is to confirm that [Name of Company] agrees to be party to and bound by The Upper San Gabriel Valley Municipal Water District Project Labor Agreement, effective _____, 2011, as such Agreement may, from time to time, be amended by the negotiating parties or interpreted pursuant to its terms. Such obligation to be a party and bound by this Agreement shall extend to all work covered by the Agreement undertaken by this Company on the Project pursuant to its contract with the District and this Company shall require all of its subcontractors of whatever tier to be similarly bound for all work within the scope of the Agreement by signing and furnishing to you an identical Letter of Assent prior to their commencement of work.

Sincerely,

[Name of Construction Company]

By: _____
Name and Title of Authorized Executive

[Copies of this Letter must be submitted to the Project Labor Coordinator and to the Council consistent with Article 3, Section 3.2].

RESOLUTION NO. 3-10-475

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER
SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT ("UPPER
DISTRICT") AUTHORIZING EXECUTION OF PROJECT LABOR
AGREEMENTS FOR THE UPPER DISTRICT'S ELIGIBLE PUBLIC
WORKS PROJECTS**

WHEREAS, record breaking low precipitation in the San Gabriel Valley located in the County of Los Angeles, a smaller annual snow pack in the Sierra Nevada Mountains, and eight consecutive years of below average precipitation in the Colorado River Basin have contributed to serious drought conditions that threaten water supply availability in the Southern California region; and

WHEREAS, on June 4, 2008, Governor Arnold Schwarzenegger signed an Executive Order S-06-08 which ordered the California Department of Water Resources to take immediate action to address serious drought conditions and water delivery limitations that currently exist in California; and

WHEREAS, on June 10, 2008, the Metropolitan Water District of Southern California, of which Upper District is a member agency, approved Resolution 9075 calling for, among other things, the "accelerate[d] completion of water recycling and groundwater recovery projects"; and

WHEREAS, the Upper San Gabriel Valley Municipal Water District (Upper District) is a municipal water district organized under the Municipal Water District Law of 1911 (California Water Code Section 71000 *et seq.*) and is also a member agency of the Metropolitan Water District of Southern California; and

WHEREAS, the Upper District has embarked upon a number of public works construction projects throughout its jurisdiction with the overarching aim of developing a reliable and efficient system and infrastructure for water conservation and water recycling within the Upper District's jurisdiction; and

WHEREAS, the public health, safety and welfare is both safeguarded and served by the timely and cost efficient completion of these vitally important water infrastructure projects; and

WHEREAS, "project labor agreements" (also referred to as "project stabilization agreements" or "pre-hire agreements") establish mutually agreeable labor dispute resolution procedures that can greatly

1 streamline the resolution of labor-related disputes and/or labor compliance grievances in a fair, equitable
2 and efficient manner that in turn promotes the speedy and cost-efficient completion of public works
3 projects; and

4 WHEREAS, project labor agreements are permissible under the National Labor Relations Act
5 (“NLRA”) (29 U.S.C. §151 *et seq.*) by virtue of Congress’s addition of subdivision (f) of Section 158 of
6 Title 29 of the United States Code in 1959 which expressly recognizes their execution and enforcement;
7 and

8
9 WHEREAS, project labor agreements are also recognized by the California Courts as evidenced in
10 *Associated Builders and Contractors vs. Contra Costa Water District* (1995) 37 Cal.App.4th 466; and

11 WHEREAS, public works contracts for municipal water districts like the Upper District are
12 governed by the Public Contract Code, Sections 20640 *et seq.*; and

13 WHEREAS, the Public Contract Code allows municipal water districts to prescribe the method of
14 construction and labor subject to the requirement of competitive bidding for all projects over \$35,000.

15 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE UPPER
16 SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT AS FOLLOWS:

17 **SECTION 1.** Due to existing drought conditions and the uncertainty as to the region’s imported
18 water supplies from the Sacramento-San Joaquin Delta and the Colorado River, the Upper District does
19 hereby state and declare that the public health, safety and welfare would be both served and safeguarded by
20 the Upper District’s execution of project labor agreements for eligible public works construction projects as
21 such agreements will streamline the resolution of labor-related disputes and labor compliance grievances
22 thereby promoting the speedy and cost-efficient completion of urgently needed water projects.

23
24 **SECTION 2.** Staff is directed to consider the feasibility and desirability of negotiating a project
25 labor agreement as it prepares for the issuance of any public works construction project valued in excess of
26 One Million Dollars (\$1,000,000) by the Upper District. The terms of each project labor agreement shall
27 be made part of any eligible bid packet issued by the Upper District, subject to prior approval of the Upper
28 District’s governing Board of Directors.

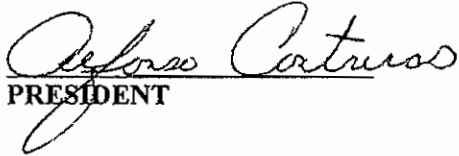
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SECTION 3. Subject to Board of Director approval as to the terms of each specific project labor agreement, the Upper District shall adopt as its policy the negotiation and execution of project labor agreements where feasible, desirable and legally permissible for all public works construction projects valued in excess of One Million Dollars (\$1,000,000).

SECTION 4. This resolution shall take effect immediately.

SECTION 5. The Secretary shall certify to the adoption of this Resolution and henceforth and thereafter the same shall be in full force and effect.

PASSED, APPROVED AND ADOPTED this 2nd day of March 2010.


PRESIDENT

ATTEST


SECRETARY

SEAL