INLAND FEEDER

PROJECT LABOR AGREEMENT

August 1, 1996
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INLAND FEEDER

PROJECT LABOR AGREEMENT

This Project Labor Agreement (hereinafter, the "Agreement") is entered into this first day of August, 1996, by and between Parsons Constructors Inc., its successors or assignees (hereinafter "Parsons" or "Project Contractor") and The Building and Construction Trades Department, AFL-CIO (hereinafter "Department"), on behalf of its affiliated International Unions, The Building and Construction Trades Council of California, The Building and Construction Trades Council of San Bernardino and Riverside Counties and its affiliated local unions, and the Southern California Conference of Carpenters, acting on its own behalf and on behalf of its members, (hereinafter, collectively called the "Union" or "Unions"), with respect to the new construction work within the scope of this Agreement owned by The Metropolitan Water District of Southern California (hereinafter, "Metropolitan" or the "Owner") for the development of a water distribution pipeline that begins in the Devil Canyon area north of San Bernardino, California and ties into the Colorado River Aqueduct south of Lake Perris, near San Jacinto, California, then continuing in a Southwesterly direction, terminating at the junction of the Casa Loma and San Diego canals, connecting them to the Eastside Pipeline, known as the "Project."

It is understood by the parties to this Agreement that if this Agreement is acceptable to Metropolitan, it will become the policy of Metropolitan that the construction work covered by this Agreement shall be contracted exclusively to Contractors who agree to execute and be bound by the terms of this Agreement. Therefore, the Unions agree that other contractors may execute the Agreement for purposes of covering such work. The Project Contractor shall monitor the compliance with this Agreement by all contractors, who through their execution of this Agreement, or a Letter of Assent or other document binding them to this Agreement, together with their subcontractors, shall have become bound hereto. It is understood, however, that the current contractual arrangement between Metropolitan and the Project Contractor is of limited duration, not for the length of the Project, and that should said contract not be renewed, and a new Project Contractor be designated, such Project Contractor will execute this Agreement and accept and undertake all the obligations, responsibilities and authority of the current Project Contractor for the implementation of this Agreement.

The term "Contractor" shall include all construction contractors and subcontractors of whatever tier engaged in on-site construction work within the scope of this Agreement, including the Project Contractor when it performs construction.
work within the scope of this Agreement. Where specific reference to Parsons alone is intended, the term "Project Contractor" is used.

The Unions, the Project Contractor and all signatory contractors agree to abide by the terms and conditions contained in this Agreement. This Agreement represents complete understanding of the parties, and no Contractor is or will be required to sign any other agreement with a signatory union as a condition of performing work within the scope of this Agreement. No practice, understanding or agreement between a Contractor and a Union party which is not specifically set forth in this Agreement will be binding on any other party unless endorsed in writing by the Project Contractor.

The Unions agree that this Agreement will be made available to, and will fully apply to, any successful bidder for Project work who becomes a signatory hereto, without regard to whether that successful bidder performs work at other sites on either a union or a non-union basis, and without regard to whether employees of such bidder are or are not members of any union. This Agreement shall not apply to the work of any contractor which is performed at any location other than the project site as defined in this Agreement.

The use of the masculine or feminine gender or titles in this Agreement shall be construed as including both genders and not as gender limitations unless the Agreement clearly requires a different construction.

**ARTICLE I**

**PURPOSE**

The Inland Feeder Project is a multi-year, 1.1 billion dollar undertaking of The Metropolitan Water District of Southern California. The goal of this Project is to convey the added capacity of the east branch of the State Water Project into the metropolitan service area, providing the more than 15 million residents of the Southland with up to 650 million gallons of additional water a day. The Project will also replenish local groundwater supplies, improve the quality of Southern California’s drinking water, and provide an important source of water for several reservoirs, including the Eastside (Domenigoni) Reservoir Project.

The timely and successful completion of this Project is critical to the ability of Metroplitan to meet the needs of the increasing population of Southern California and to prevent economic disruption and personal suffering caused by limited
water supplies. The businesses and people of Southern California have endured extensive shortages of water in recent years and it is imperative that this Project be completed in a timely fashion, making effective use of the limited financial resources of the public in general, and Metropolitan in particular, in order to provide these services. It is therefore essential that the construction work be done in an efficient, economical manner in order to secure optimum productivity and to avoid any delays in the Project.

Further, the parties recognize and understand the need to provide the basis for implementation of a cost effective workers' compensation system which, together with the cooperation and joint effort of all parties to provide the highest degree of safety for all employed on the Project, will assure improved working conditions for all employees; improved delivery of medical care for work related injuries and diseases; a reduction in the time and expense necessary to process and resolve disputes involving the payment of workers' compensation benefits; and significant savings for the Owner, its customers and the residents of its service area. It is the intention of the parties to follow the letter and the spirit of the provisions of the California Labor Code permitting the implementation of revised dispute resolution and medical care procedures for the delivery of workers' compensation benefits and medical coverage as permitted by revised Section 3201.5 of the Labor Code.

In recognition of the special needs of this Project and to maintain a spirit of harmony, labor management peace and stability during the term of this Project Labor Agreement, the parties agree to establish effective and binding methods for the settlement of all misunderstandings, disputes or grievances which may arise; and in recognition of such methods and procedures, the Unions agree not to engage in any strikes, slow downs or interruption of work and the Contractor agrees not to engage in any lock out.

ARTICLE II
SCOPE OF AGREEMENT

This Agreement, hereinafter designated as the "Project Labor Agreement" or "Agreement" shall apply and is limited to all new construction as defined in Section 1 of this Article performed by those contractor(s) of whatever tier which have contracts awarded for such work, which may include the Project Contractor, on or after the effective date of this Agreement, with regard to the construction, reconstruction, rehabilitation, or any other construction-related activities necessary to the development of the Inland Feeder and related facilities, and adjacent...
recreational services, all of which are hereinafter referred to as the "Project" and generally defined below.

Section 1. The Project is generally defined as and limited to:

(a) Eighteen miles of 12-foot inside diameter tunnels, running in two reaches, the first running through the Devil Canyon area near Arrowhead Springs (the San Bernardino tunnels) and the second running south of Crafton near Redlands through the Riverside Badlands area (the Riverside tunnels);

(b) Twenty-five-and-a-half miles of 12-foot inside diameter pipeline running in two reaches through San Bernardino beginning north of Highland and running south to Crafton near Redlands (the San Bernardino Pipeline) and through the Moreno and San Jacinto Valleys near the Perris Reservoir and Colorado River Aqueduct to the San Diego Canal; and

(c) Related facilities designated by the Owner as part of the Inland Feeder Project.

It is understood by the parties that the Owner may at any time and at its sole discretion determine to build segments of the Project under this Agreement not currently proposed, or to modify or not to build any one or more of the particular segments proposed to be covered.

Section 2. Items specifically excluded from the scope of this Agreement include the following:

(a) Work of non-manual employees, including but not limited to, superintendents, supervisors, staff engineers, inspectors, quality control and quality assurance personnel, timekeepers, mail carriers, clerks, office workers, including messengers, guards, safety personnel, emergency medical and first aid technicians, and other professional, engineering, administrative, supervisory and management employees.

(b) Equipment and machinery owned or controlled and operated by the Metropolitan Water District of Southern California (the "Owner").

(c) All off-site manufacture and handling of materials, equipment or machinery (except at dedicated lay-down or storage areas).

(d) All employees of the Project Contractor, design team or any other consultant of Metropolitan not performing manual labor with the scope of this Agreement.
(e) Any work performed on or near or leading to or on to the site of work covered by this Agreement and undertaken by state, county, city or other governmental bodies, or their contractors; or by public utilities or their contractors; and/or by the Owner or its contractors (for work which is not part of the scope of this Agreement).

(f) Off-site maintenance of leased equipment and on-site supervision of such work.

(g) Work by employees of a manufacturer or vendor necessary to maintain such manufacturer's or vendor's warranty or guarantee.

(h) Laboratory for specialty testing or inspections not ordinarily done by the signatory local unions.

(i) Non-construction support services contracted by the Owner or Project Contractor in connection with this Project.

(j) All work by employees of the Metropolitan Water District of Southern California.

Section 3(a). The Owner, the Project Contractor, and/or Contractors, as appropriate, have the absolute right to award contracts or subcontracts on this Project notwithstanding the existence or non-existence of any Agreements between such contractor and any union party provided only that such Contractor is willing, ready and able to execute and comply with this Project Labor Agreement, should such Contractor be awarded work covered by this Agreement.

(b) It is agreed that all subcontractors of a Contractor, of whatever tier, who have been awarded contracts of work covered by this Agreement on or after the effective date of this Agreement shall be required to accept and to be bound by the terms and conditions of this Project Labor Agreement, and shall evidence their acceptance by the execution of the Agreement or a Letter of Assent provided by the Project Contractor, prior to the commencement of work. A copy of the Agreement or Letter of Assent executed by the Contractor shall be available for review by the Union.

Section 4(a). The provisions of this Project Labor Agreement (including the Schedule A's, which are the local Collective Bargaining Agreements of the signatory unions having jurisdiction over the work on the Project (as may be changed from time-to-time consistent with Article XVII, Section 2) and are incorporated herein by reference) shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local,
area and/or National Agreements which may conflict with or differ from the terms of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall prevail. Where subject is covered by the provisions of a Schedule A and is not covered by this Agreement, the provisions of the Schedule A shall prevail.

(b) Any dispute as to the applicable source between this Agreement and any Schedule A for determining the wages, hours and working conditions of employees on the Project shall be resolved by Howard S. Block, ESQ., under the procedures established in Article VII. It is understood that this Agreement, together with the referenced Schedule A's constitute a self-contained, stand-alone agreement and by the virtue of having become bound to this Project Labor Agreement the Contractor will not be obligated to sign any other local, area or national Agreement as a condition of performing work within the scope of this Agreement.

Section 5. The Agreement shall only be binding on the signatory parties hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party.

Section 6. This Agreement shall be limited to the new construction work within the scope of this Agreement for which bids have been received on and after the effective date of this Agreement, including, specifically, site preparation and related demolition work, and utilities and modifications or rehabilitation of existing facilities. Nothing contained herein shall be construed to prohibit, restrict, or interfere with the performance of any other operation, work or function which may be performed or contracted by the Owner for its own account on the property or in and around the construction site.

Section 7. It is understood that the liability of the Contractor and the liability of the separate unions under this Agreement shall be several and not joint. The Unions agree that this Agreement does not have the effect of creating any joint employment status between or among the Owner or the Project Contractor and/or any Contractor.

Section 8. None of the provisions of this Agreement shall be construed to prohibit or restrict The Metropolitan Water District of Southern California or its employees from performing work not covered by this Agreement on or around the construction site. As areas of covered work are accepted by the Owner, the Agreement shall have no further force or effect on such items or areas except where the Contractor is directed by the Owner to engage in repairs or punch list modifications.
Section 9. It is understood that the Owner, at its sole option, may terminate, delay and/or suspend any and all portions of the covered work at any time.

ARTICLE III
UNION RECOGNITION AND EMPLOYMENT

Section 1. The Contractor recognizes the Union as the sole and exclusive bargaining representative of all craft employees working on the Project within the scope of this Agreement.

Section 2. The Contractor shall have the right to determine the competency of all employees, the number of employees required and shall have the sole responsibility for selecting employees to be laid off, consistent with Article IV, Section 3 below.

Section 3. For local unions now having a job referral system as contained in Schedule A, the Contractor agrees to comply with such system and it shall be used exclusively by such Contractor, except as it may be modified by this Article. Such job referral system will be operated in a non-discriminatory manner and in full compliance with Federal, state, local laws and regulations which require equal employment opportunities and non-discrimination, and referrals shall not be affected in any way by the rules, regulations, by-laws, constitutional provisions or any other aspects or obligations of union membership, policies or requirements. All of the foregoing hiring procedures, including related practices affecting apprenticeship and training, will be operated so as to facilitate the ability of the contractors to meet any and all equal employment opportunity/affirmative action obligations. The Contractor may reject any referral for any reason, provided the Contractor complies with Article X, Section 6(a).

Section 4. In the event that local unions are unable to fill any requisitions for employees within forty-eight (48) hours after such requisition is made by the Contractor (Saturdays, Sundays, and holidays excepted), the Contractor may employ applicants from any other available source. The Contractor shall inform the Union of any applicants hired from other sources.

Section 5. The local unions shall not knowingly refer an employee currently employed by any Contractor working under this Agreement to any other Contractor.

Section 6. The local unions will exert their utmost efforts to recruit and refer sufficient numbers of skilled craft workers to fulfill the manpower requirements of the Contractor, including specific employment obligations to which the Contractor may be
legally obligated. The parties to this Agreement support the development of increased numbers of skilled construction workers from the residents of the area of the Project to meet the needs of this Project and the requirements of the industry generally. Toward that end, the unions agree to encourage the referral and utilization, to the extent permitted by law and the hiring hall procedures, of qualified residents as journeymen, apprentices and trainees on this Project and entrance into such apprenticeship and training programs as may be operated by the signatory local unions.

Section 7. In the event that a signatory local union does not have a job referral system as set forth in Section 3 above, the Contractor shall give the union equal opportunity to refer applicants. The Contractor shall notify the union of employees hired from any source other than referral by the union.

Section 8. In the event the local unions either fail, or are unable, to refer qualified minority or female applicants to meet the affirmative action commitments to which the Contractor is legally bound by contract or law, the Contractor may employ qualified minority or female applicants from any other available source.

Section 9. No employee covered by this Agreement shall be required to join any union as a condition of being employed, or remaining employed, on the Project; provided, however, that an employee who is a member of the referring union at the time of referral shall maintain that membership in good standing while employed under the Agreement. All employees shall, however, be required to comply with the union security provisions of the applicable Schedule A for the period during which they are performing on-site Project work to the extent, as required by law, of rendering payment of the applicable monthly dues and all fees uniformly required for union membership in the local union which is signatory to this Agreement, consistent with the clarification issued by the Project Contractor under the Eastside Reservoir Project Labor Agreement on July 26, 1996.

Section 10. The parties recognize the Owner's commitment to provide opportunities to participate on the Project to minority and women owned business enterprises as well as other enterprises which may not have previously had a relationship with the unions signatory to this Agreement. To ensure that such enterprises will have an opportunity to employ their "core" employees on this Project, the parties agree that in those situations where a Contractor not a party to the current collective bargaining agreement with the signatory union having jurisdiction over the affected work is a successful bidder, that Contractor may request by name, and the local will honor, referral of persons who have
applied to the local union for Project work and who meet the following qualifications:

(1) possess any license required by state or federal law for the Project work to be performed;

(2) have worked a total of at least 2,000 hours in the construction craft during the prior 3 years;

(3) were on the Contractor's active payroll for at least 90 out of the 180 calendar days prior to the contract award;

(4) have the ability to perform safely the basic functions of the applicable trade.

The Union will refer to such Contractor one employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of such Contractor's "core" employees and shall repeat the process as follows: one from the hiring hall and one "core" employee; two from the hiring hall and one "core" employee; two from the hiring hall and one "core" employee; one from the hiring hall and one "core" employee; and two from the hiring hall and one "core" employee, until such contractor's crew requirements are met or until such contractor has hired six such "core" employees, whichever occurs first. Subsequently, such Contractor may employ "core" employees to maintain a 15% "core" employee ratio up to a maximum of 75 employees, per contractor by craft. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list.

Section 11. Except as provided in Article IV, Section 3, individual seniority should not be recognized or applied to employees working on the Project.

Section 12. The selection of craft foremen and/or general foremen shall be the responsibility of the Contractor. All foremen shall take orders exclusively from the designated contractor representatives. Craft foremen shall be designated as working foremen at the request of the Contractor.

Section 13. To assist the Union parties in the administration of the Agreement, the Contractor shall deduct in each pay period from the wages of each employee who authorizes it in writing pursuant to a lawful wage assignment authorization, four cents ($0.04) per hour for each hour worked or paid and shall remit each month two cents ($0.02) per hour so deducted to the Building and Construction Trades Council of California and the remaining two
cents ($0.02) per hour so deducted to the San Bernardino and Riverside Counties Building and Construction Trades Council.

ARTICLE IV
UNION REPRESENTATION AND STEWARDS

Section 1. Authorized representatives of the Union shall have access to the Project, provided that they do not interfere with the work of the employees and further provided that such representatives fully comply with posted visitor and security and safety rules of the Project. It is understood that because of the geographical scope of the Project, and the type of work being undertaken on the Project site, visitors may be limited to certain times, or areas, or to being accompanied at all times while on the Project site; with this in mind, however, the Contractor recognizes the right of access set forth in this Section and such will not be unreasonably withheld from an authorized representative of the Union.

Section 2(a). Each signatory local union shall have the right to dispatch a working journeyman as a steward for each shift, and shall notify the Contractor 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 steward. Stewards will receive the regular rate of their respective crafts.

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

(c) When a contractor has multiple, non-contiguous work locations on the site, he may request, and the union shall appoint such additional working stewards as he 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.

(d) The stewards shall not have the right to determine when overtime shall be worked or who shall work overtime.
Section 3. The Contractor agrees to notify the appropriate union twenty-four (24) hours prior to the layoff of a steward, except in the case of disciplinary discharge for just cause. If a steward is protected against such layoff by the provisions of any Schedule A, such provisions shall be recognized to the extent that the steward possesses the necessary qualifications to perform the work remaining. In any case in which a steward is discharged or disciplined for just cause, the appropriate union shall be notified immediately by the Contractor.

Section 4. Personnel of the Metropolitan will be working in close proximity to the construction activities. The union agrees that the union representatives, stewards and individual workers will not interfere with Metropolitan personnel, or with personnel employed by any other employer not a party to this Agreement.

ARTICLE V
MANAGEMENT'S RIGHTS

Section 1. The Contractor retains the full and exclusive authority for the management of its operations. Except as expressly limited by other provisions of this Agreement, the Contractor retains the right to direct the workforce, including the hiring, promotion, transfer, layoff, discipline or discharge for just cause of its employees; the selection of foremen; the assignment and schedule of work; the promulgation of reasonable work rules; and, the requirement of overtime work, the determination of when it will be worked and the number and identity of employees engaged in such work. No rules, customs, or practices which limit or restrict productivity, efficiency or the individual and/or joint working efforts of employees shall be permitted or observed. The Contractor may utilize any methods or techniques of construction.

Section 2. There shall be no limitation or restriction by a signatory union upon a Contractor's choice of materials or design, nor, regardless of source or location, upon the full use and utilization of equipment, machinery, packaging, pre-cast, pre-fabricated, pre-finish, or pre-assembled materials, tools, or other labor saving devices. The on-site installation or application of all items shall be performed by the craft having jurisdiction over such work; provided, however, it is recognized that installation of specialty items which may be furnished by the Owner may be performed by employees employed under this Agreement with the participation of other personnel in a supervisory role, or, in limited circumstances requiring special knowledge of the particular item(s), may be performed by employees of the vendor or other companies where employees working under this Agreement lack the required skills.
Section 3. The use of new technology, equipment, machinery, tools and/or labor saving devices and methods of performing work may be initiated by the Contractor from time-to-time during the Project. The Union agrees that it will not in any way restrict the implementation of such new devices or work methods. If there is any disagreement between the contractor and the union concerning the manner or implementation of such device or method of work, the implementation shall proceed as directed by the Contractor, and the Union shall have the right to grieve and/or arbitrate the dispute as set forth in Article VII of this Agreement.

ARTICLE VI
WORK STOPPAGES AND LOCKOUTS

Section 1. There shall be no strikes, picketing, work stoppages, slowdowns or other disruptive activity for any reason (including disputes relating to the negotiation or renegotiation of the local collective bargaining agreements which serve as the basis for the Schedule A's) by the Union or employees against any contractor covered under this Agreement and there shall be no lockout by the Contractor. Failure of any Union or employee to cross any picket line established by any Union, signatory or non-sigatory to the Agreement, or by any other organization or individual at or in proximity to the project construction site is a violation of this Article.

Section 2. The Contractor may discharge any employee violating Section 1, above, and any such employee will not be eligible for rehire under this Agreement for a period of 180 days. The Project Contractor and the Union shall take all steps necessary to obtain compliance with this Article and neither shall be held liable for conduct for which it is not responsible.

Section 3(a). If the Contractor contends that any Union has violated this Article or the provisions of Article XVII, Section 3, it will notify in writing the International President(s) of the Local Union(s) involved, advising him of the fact, with copies of such notice to the Local Union(s) involved and the Building Trades Council. The International President or Presidents will immediately instruct, order and use the best efforts of his office to cause the Local Union or Unions to cease any violation of this Article. An International Union complying with this obligation shall not be liable for unauthorized acts of its Local Union.

(b) If the Union contends that any Contractor has violated this Article, it will notify the Contractor and the Project
Contractor setting forth the facts which the Union contends violate the Agreement, at least twenty-four (24) hours prior to invoking the procedures of Section 4.

Section 4. Any party, including the Owner, whom the parties agree is a party in interest for purposes of this Article, or the Project Contractor, may institute the following procedure, in lieu of or in addition to any other action at law or equity, when a breach of Section 1, above, or Section 3 of Article XVII is alleged:

(a) A party invoking this procedure shall notify John Kagel, ESQ., whom the parties agree shall be the permanent arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, he/she shall appoint an alternate. Notice to the arbitrator shall be by the most expeditious means available, with notices to the party alleged to be in violation and to the Council if it is a union alleged to be in violation. For purposes of this Article, written notice may be given by telegram, facsimile, hand delivery or overnight mail but will be deemed effective upon receipt.

(b) Upon receipt of said notice, the arbitrator named above or his/her alternate shall sit and hold a hearing within twenty-four (24) hours if it is contended that the violation still exists, but not sooner than twenty-four (24) hours after the notice to the International President(s) required by Section 3, above.

(c) The arbitrator shall notify the parties of the place and time chosen for this hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed 24 hours unless otherwise agreed upon by all parties. A failure of any party or parties to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

(d) The sole issue at the hearing shall be whether or not a violation of Section 1, above, or of Section 3 of Article XVII, has in fact occurred. The arbitrator shall have no authority to consider any matter in justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without an opinion. If any party desires an opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with, or enforcement of, the Award. The arbitrator may order cessation of the violation of the Article and other appropriate relief, and such Award shall be served on all parties by hand or registered mail upon issuance.
(e) Such award shall be final and binding on all parties and 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. Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's Award as issued under Section 4(d) of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order of enforcement. The court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or by delivery to their last known address by registered mail.

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

(g) The fees and expenses of the arbitrator shall be equally divided between the moving party or parties and the party or parties respondent.

Section 5. Procedures contained in Article VII shall not be applicable to any alleged violation of this Article, with the single exception that any employee discharged for violation of Section 1, above, may resort to the procedures of Article VII to determine only if he was, in fact, engaged in that violation.

Section 6. The Project Contractor is a party in interest in all proceedings arising under this Article and Articles VII and VIII and shall be sent contemporaneous copies of all notifications required under these articles, and, at its option, may participate as a full party in any proceeding initiated under these articles.

ARTICLE VII

DISPUTES AND GRIEVANCES

Section 1(a). This Agreement is intended to provide close cooperation between management and labor. The Project Contractor and the San Bernardino and Riverside Counties Building and Construction Trades Council, AFL-CIO, shall each assign a representative to this Project for the purpose of assisting the Department, the International and Local Unions, together with the Contractor, to complete the construction of the Project economically, efficiently, continuously and without interruption, delays or work stoppages.
(b) The Project Contractor, Contractors, Unions, and employees collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work of the Project, and agree to resolve disputes in accordance with the arbitration provisions set forth in this Article.

Section 2. Any question arising out of and during the term of this Agreement involving its interpretation and application (other than trade jurisdictional disputes or alleged violations of Article VI, Section 1) shall be considered a grievance and subject to resolution under the following procedures.

Step 1. (a) When any employee subject to the provisions of this Agreement feels he is aggrieved by a violation of this Agreement, he shall, through his Local Union business representative or job steward, within five (5) working days after the occurrence of the violation, give notice to the work site representative of the involved Contractor stating the provision(s) alleged to have been violated. The business representative of the Local Union or the job steward and the work site representative of the involved Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. If they fail to resolve the matter within the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the grievance procedure provided the grievance is reduced to writing, setting forth the relevant information concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the Agreement alleged to have been violated. Grievances and disputes settled at Step 1 shall be non-precedential except as to the parties directly involved unless endorsed by the Project Contractor within five (5) days after resolution has been reached.

(b) Should the Local Union(s) or Project Contractor or any other contractor have a dispute with the other party and, if after conferring within ten (10) working days after the disputing party knew or should have known of the facts or occurrence giving rise to the dispute, a settlement is not reached within three (3) working days, the dispute shall be reduced to writing and proceed to step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2. The Business Manager of the involved Local Union or his Designee, together with the International Union representative of that Union, the site representative of the involved Contractor, and the labor relations representative of the Project Contractor 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. (a) If the grievance shall have been submitted but not resolved under Step 2, either party may request in writing within seven (7) calendar days after the initial Step 2 meeting, that the grievance be submitted to an arbitrator selected from a permanent panel of three (3) arbitrators (R. Wayne Estes, ESQ., Howard S. Block, ESQ., and Michael D. Rappaport, ESQ.) and two (2) additional arbitrators to be selected by the parties to this Agreement. If the panel has not been agreed upon by the parties, arbitrator selection shall be made pursuant to the rules of the American Arbitration Association, which shall also govern the conduct of the arbitration hearing. The decision of the arbitrator shall be final and binding on all parties and the fee and expenses of such arbitration’s shall be borne equally by the involved Contractor and the involved Union(s).

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The arbitrator shall have the authority to make decisions only on issues presented and shall not have the authority to change, amend, add to or detract from any of the provisions of this Agreement.

Section 3. No adjustment or decision may provide retroactivity exceeding sixty (60) days prior to the date of the filing of a written grievance.

Section 4. The Project Contractor shall be notified by the involved Contractor of all actions at Steps 2 and 3 and shall, upon its request, be permitted to participate fully in all proceedings at these steps.

ARTICLE VIII  
JURISDICTIONAL DISPUTES

Section 1. Work shall be assigned by the Contractor in accordance with the Procedural Rules of the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (hereinafter the "Plan"), and shall be based upon the appropriate agreements of record, decisions of record and previously provided local written agreements between and/or among the Unions. Such assignments shall be disclosed by the
Contractor at a pre-job conference held in accordance with industry practice. The Project Contractor will give notice of such pre-job conferences to signatory local council who may attend if they wish.

Section 2. (a) The parties agree that all jurisdictional disputes over division of work will be settled in accordance with the procedural rules and regulations of the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry, effective June 1, 1984, or any successor plan. All Contractors on this project agree to assign work and be bound to the terms and conditions of the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry, and all signatory Unions agree that the assignments of the Contractors shall be followed until the dispute is resolved in accordance with this section.

(b) Any award or resolution made pursuant to this procedure, shall be final and binding on the disputing Unions and the involved Contractor under this Agreement only, and may be enforced in any court of competent jurisdiction in accordance with the Plan. Such award or resolution shall not establish a precedent on any construction work not covered by this Agreement. In all disputes under this Article, the Project Contractor shall be considered a party in interest, with a full right of participation.

Section 3. In making any determination hereunder, there shall be no authority to assign work to a double crew, that is, to more employees than the minimum required to perform the work involved; nor to assign the work to employees who are not qualified to perform the work involved. This does not prohibit the establishment, with the agreement of the involved Contractor, of composite crews where more than one (1) employee is needed for the job. The aforesaid determination shall decide only to whom the disputed work belongs.

Section 4. There will be no strikes, work stoppages, slow downs, or other disruptive activity arising out of any jurisdictional dispute. Pending the resolution of the dispute, the work shall proceed as assigned by the Contractor. The award or resolution shall be confirmed in writing to the involved parties. There shall be no strike, work stoppage or interruption in protest of any such award or any resolution.

ARTICLE IX
WAGES AND BENEFITS

Section 1. All employees covered by this Agreement shall be classified in accordance with work performed and paid the hourly
wage rates for those classifications in compliance with the applicable prevailing rate determination. If a wage increase negotiated in a local agreement becomes the prevailing wage under state law, the Contractor will pay that rate retroactive to the effective date of the locally negotiated wage increase. If the prevailing wage laws are repealed during the term of this Agreement, the Contractor shall pay the wage rates established under the Schedule A's, except as otherwise provided in this Agreement.

Section 2. All employees covered by this Agreement may be paid by check and shall be paid no later than the end of the work shift Friday. No more than three (3) days' wages may be withheld. Any employee who is discharged or laid off shall be entitled to receive all accrued wages immediately upon discharge or layoff.

Section 3. Contractor is to pay contributions to the established employee benefits funds in the amounts designated in the appropriate Schedule A and to make all employee-authorized deductions in the amounts designated in the appropriate Schedule A, provided, however, that the Contractor and the 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 on this Project. Bona fide jointly-Trusteed benefit plans or authorized employee deduction programs established or negotiated under the applicable Schedule A or by the parties to this Agreement during the life of this Agreement may be added, subject to the limitations upon such negotiated changes contained in Article XVII, Section 2 of this Agreement. Such contributions shall be made in compliance with the applicable prevailing rate determination.

The Contractor adopts and agrees to be bound by the written terms of the legally established trust agreement specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractor 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.

ARTICLE X
HOURS OF WORK, OVERTIME, SHIFTS AND HOLIDAY

Section 1. Work Day and Work Week. Eight (8) hours per day between the hours of 6:00 A.M. and 5:30 P.M., plus one-half (½)
hour unpaid for lunch, approximately mid-way through the shift, shall constitute the standard work day. Forty (40) hours per week shall constitute a regular week's work. The work week will start on Monday and conclude on Sunday. The foregoing provisions of this Article are applicable unless otherwise provided in the applicable prevailing wage determination, or unless changes are permitted by law and such are agreed upon by the parties. Nothing herein shall be construed as guaranteeing any employee eight (8) hours per day or forty (40) hours per week.

Section 2. Starting Times. Employees shall be at their place of work at the starting time and shall remain at their place of work (as designated by the Contractor) performing their assigned functions until quitting time, which is defined as 15 minutes before the scheduled end of the shift. This 15 minutes shall be used for pickup, clean up and travel. The place of work shall be defined as the gang or tool box, or equipment at the employee's assigned work location or the place where the foreman gives instructions; provided, however, that for tunnel work, the place of work shall be the portal, and pay shall be on a portal-to-portal basis. The parties reaffirm their policy of a fair day's work for a fair day's wage. There shall be no pay for time not worked unless the employee is otherwise engaged at the direction of the Contractor.

Section 3. Overtime. Overtime shall be paid in accordance with the requirements of the General Prevailing Wage Determination applicable to this Project. There will be no restriction on the Contractor's scheduling of overtime or the non-discriminatory designation of employees who will work. Steward overtime shall be as provided in the applicable Schedule A, provided the steward is qualified to perform the work available. There shall be no pyramiding of overtime pay under any circumstances.

Section 4(a). Shifts. Shift work may be performed at the option of the Contractor(s) upon three (3) days' prior notice to the union, unless a shorter notice period is provided in the applicable Schedule A, and shall continue for a period of not less than five (5) working days. Saturdays and Sundays, if worked, may be used for establishing the five (5) day minimum work shift. If two shifts are worked, each shall consist of eight (8) hours of continuous work exclusive of a one-half (½) hour non-paid lunch period. Any third shift shall consist of six and one half (6½) hours of continuous work exclusive of one-half (½) hour non-paid lunch period for eight (8) hours straight time pay without any premium or differential. (For tunnel work, when a three-shift schedule is in effect, all shifts shall be compensated at 8 hours straight time for 7½ hours worked. No wage premium or differential shall be paid for any shift on this schedule.)
The last shift starting on or before 6:00 P.M. Friday shall be considered Friday work time; while the first shift ending at or after 6:00 A.M. on Monday shall be considered Monday work time. The shift starting at or after 6:00 A.M. is designated as the first shift, with the second shift following. Pay for the second shift shall be at the employee's base wage rate for first shift, plus the second shift differential, if any, established in the applicable Schedule A as of July 1, 1994.

Section 4(b). The Contractor may, upon five (5) days' notice to the appropriate union(s), establish a work week of four (4) consecutive ten (10) work hour days (exclusive of one-half hour unpaid lunch, approximately midway through the shift). Such work week shall consist of the same four days each week, with a fifth day available as a make-up day if needed and not prohibited by the applicable Schedule A. Pay compensation for such shifts shall be at the applicable rates established for first and second shift work in this Agreement, with the addition of premium levels, if any, as required by the applicable general prevailing wage determination.

Section 5. Holidays. Recognized holidays on this Project shall be those as set forth and governed by the prevailing wage determination applicable to this Project; unless and until such may be, and is, revised by mutual agreement of the parties to this Agreement.

Section 6(a). Reporting Pay. Employees reporting for work and for whom no work is provided, except when given notification not to report to work, shall receive two (2) hours pay at the regular straight time hourly rate. Employees who are directed to start work shall receive a minimum of four (4) hours of pay at the regular straight time hourly rate. Employees who work beyond four (4) hours, but less than six (6) hours, shall be paid for six (6) hours, and employees working beyond six (6) hours shall be paid for actual hours worked. Whenever reporting pay is provided for employees, they will be required to remain at the Project site available for work for such time as they receive pay, unless released earlier by the principal supervisor of the Contractor(s) or their designated representative. Each employee shall furnish his/her Contractor with his/her current address and telephone number, and shall promptly report any changes in each to the Contractor.

(b) When an employee who is sent to the job site from the union referral facility in response to a request by the Contractor for an employee for one (1) day starts work, the employee will be paid eight (8) hours.
(c) **Call Out Pay.** Any employee called out to work outside of his/her shift shall receive a minimum of four hours pay at the appropriate rate, including any applicable premium. This does not apply to time worked as an extension (before or after) of the employee's normal shift.

(d) When an employee leaves the job or work location of his own volition or is discharged for cause or is not working as a result of the Contractor's invocation of Article XII, Section 3, the employee shall be paid only for the actual time worked.

(e) In all cases, if the employee is reporting on a day on which a premium rate is paid, reporting pay shall be calculated at that rate.

**Section 7. Time Keeping.** The Contractor may utilize brassing systems to check employees in and out. Each employee must check himself in and out. The Contractor will provide adequate facilities for checking in and out in an expeditious manner.

**Section 8. Meal Period.** The Contractor will schedule a meal period not more than one-half hour duration at the work location at approximately four (4) hours into the scheduled work shift, consistent with Section 1; provided, however, that the Contractor may, for efficiency of the operation, establish a schedule which coordinates the meal periods of two or more crafts. If an employee is required to work through his meal period, he shall be compensated in a manner established in the applicable Schedule A.

**Section 9. Make-up Day.** To the extent permitted by the applicable general wage determination, when an employee has been prevented from working for reasons beyond the control of the employer, including, but not limited to inclement weather or other natural causes, during the regularly scheduled work week, a make-up day (whole day only) may be worked on Saturday (unless prohibited by the applicable Schedule A) for which the employee shall receive eight (8) hours paid at the straight time rate of pay or at any premium rate required for such hours under the prevailing wage law.

**ARTICLE XI**

**APPRENTICES**

**Section 1.** The parties recognize the need to maintain continuing support of programs designed to develop adequate numbers of competent workers in the construction industry, and the Contractor(s) will employ apprentices in their respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured.
Section 2. Apprentices may comprise up to thirty-three and one-third (33-1/3) percent of each craft's work force at any time, unless an applicable Schedule A provides for a greater percentage. The union agrees to cooperate with the Contractor in furnishing apprentices as requested up to the maximum percentage, and there shall be no restrictions on the utilization of apprentices in performing the work of their craft provided they are properly supervised. The apprentice ratio for each craft shall be in compliance with the applicable prevailing wage determination. If the Schedule A and prevailing wage determination permit, other non-journeyman classifications may be utilized at the Contractor's discretion as part of the thirty-three and one-third (33-1/3) percent ratio.

ARTICLE XII
SAFETY, PROTECTION OF PERSON AND PROPERTY

Section 1(a). It shall be the responsibility of each contractor to ensure safe working conditions and employee compliance with any safety rules contained herein or established by the Owner, the Project Contractor and/or the Contractor. 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 and the Owner.

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

(c) At the discretion of the Owner, the Project Contractor may institute the DISA Plan, as implemented on May 17, 1996 under the Eastside Reservoir Project Labor Agreement, or such other reasonable substance abuse program or modifications to the DISA Plan as the Owner and/or Project Contractor may deem appropriate for the Project. Should such a program be instituted, it is agreed that (i) no person referred from the hall shall be allowed on-site as an employee until such person has completed and passed any test required under the program, (ii) a person who is put to work immediately after having passed the tests shall be paid starting at the time he reported for the test(s), and (iii) where a contractor requests a person to report for purposes of a pre-hire substance abuse test, and does not intend to place him in an active work position on that day, the person shall receive four (4) hours of pay at the regular straight-time hourly rate if the test is negative.
Section 2. The inspection of incoming shipments of equipment, machinery and construction materials of every kind shall be performed at the discretion of the Contractor by individuals of its choice. All employees shall comply with the security procedures established by the Owner, Project Contractor and/or Contractor.

Section 3. A Contractor may suspend all or a portion of the job to protect the life and safety of an employee. In such cases, employees will be compensated only for the actual time worked; provided, however, that where the contractor requests employees to remain at the site and available for work, the employees will be compensated for the standby time at their basic hourly rate of pay.

Section 4. The Contractor shall provide adequate supplies of drinking water and sanitary facilities for all employees.

Section 5. Workers' Compensation.

(a)(1) The Contractor and the Union parties to this Agreement (the "Parties") jointly recognize the importance of an effective and efficient program to provide a workers' compensation delivery system for the benefit of the employees covered by this Agreement. The Parties will therefore work together, utilizing the provisions of Section 3201.5 of the California Labor Code (the "Code"), to implement a dispute resolution procedure which will reduce disputes arising out of the workers' compensation delivery system established for this Project which provide fair and expeditious methods for resolving such disputes. Additionally, the Parties will work together to broaden and improve the workers' compensation process to include optimum access to delivery of medical care and disability benefits for covered employees affected by occupational injury or disease and covered under this Agreement. Finally, the Parties agree that abuses of the system will not be tolerated and will cooperate in any investigation of a claim of abuse.

(a)(2) To accomplish the goals of (a)(1) above, the Parties have agreed

(a) That all employees working under this Agreement shall be covered to the fullest extent required by the workers' compensation provisions of the Code, and that nothing in this Agreement diminishes the entitlement of an employee covered by this Agreement to compensation benefits for disability or medical treatment and other benefits as required by California law fully paid for by the employer through the purchase of a policy of

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workers' compensation insurance from an insurer authorized to issue such a policy in the State of California; and

(b) To implement a medical and benefits delivery system complemented by an alternative dispute resolution process, hereby established, in cooperation with a Joint Labor-Management Workers' Compensation Committee, created under this Agreement.

Section 6. Joint Labor-Management Committees

(a) Workers' Compensation Committee. There is hereby established a Joint Workers' Compensation Committee to review, oversee, consult and advise all parties involved with the development, implementation and provision of benefits and procedures for workers' compensation covered under the Code and this Agreement, with particular reference to the workers' compensation provisions of this Article. Such Committee shall participate in the selection of the providers and other personnel as set forth in Section 7, below. The power of the Committee may only be exercised through the Agreement of the union and contractor parties, with each such party having one vote, for a total of two. The Project Contractor shall designate no more than five (5) Contractor representatives, and each local union or District Council signatory to this Agreement may appoint a representative (but not more than one per trade), with the signatory State and Local Building Trades Councils each having one representative. The Contractor and Union parties shall each determine their own internal rules of procedure with regard to decision-making. The Committee shall be jointly chaired by a representative of the Project Contractor (or designee) and an official of the signatory local Building Trades Council (or designee). The Committee shall meet at least once each calendar quarter, or more often as necessary on the call of the joint chairs. The joint chairs shall rotate the position of meeting chairman on a calendar quarter basis. The ombudsperson and representatives of the Owner, Carrier and/or providers of medical care shall be available to attend the Committee meetings and furnish such information as is requested by the Committee. The Committee may recommend to the Project Contractor, Owner and/or Insurance Carrier, as appropriate, changes in the procedural and substantive delivery of medical care and services and ADR processing as it believes appropriate to fulfill the parties' goal to make effective use of the revisions to Section 3201.5. Any dispute between the union and contractor parties with regard to the power of the Committee shall be referred to the Arbitrator designated under Section 11(c), below.

(b) Safety Committee. A Joint Safety Committee is hereby established as a subcommittee of the Joint Workers' Compensation Committee. The Project Contractor and the Union shall each
designate five (5) representatives to sit on this Committee, which shall be jointly chaired by the site safety representative of the Project Contractor (or designee) and an official of the signatory local Building Trades Council (or designee) appointed by the Union. The Committee shall meet at least monthly, or more often at the call of the Joint Chairs, to receive reports on safety programs instituted by the Owner, the Project Contractor and the individual contractors on the Project site and to discuss and advise such parties to the Agreement with regard to recommended safety programs and procedures to maintain the highest level of occupational safety on the Project site. The Joint Chairs shall rotate the position of Meeting Chair on a monthly basis.

Section 7.

(a) The Parties will jointly designate, under the auspices of the Joint Workers' Compensation Committee herein established,

(1) A preferred provider network of health care providers,

(2) Organizations providing prescription medicine, which may be affiliated with (1), above,

(3) Vocational rehabilitation evaluator/service organizations,

(4) Mediators (who shall be familiar with and experienced in the California State Workers' Compensation System and related medical issues), and

(5) Arbitrators (who to the extent available shall possess experience as referees and/or judges under the State Workers' Compensation System and, at a minimum, qualified as arbitrators under the Code).

(b) If the Parties are unable to agree on the organizations in (1) - (3) above or the individuals to serve in the positions listed in (4) - (5) above, in the numbers deemed necessary by the insurance carrier for the efficient operation of the Workers' Compensation Delivery System (including ADR), or in the numbers otherwise established in this Agreement, appointments shall be made by the neutral arbitrator established under Section 11(c), below, after he/she has heard recommendations and arguments in favor of their respective positions from the Parties to the Agreement. Once selected, the individuals and/or organizations may be removed by agreement of the Joint Workers' Compensation Committee, or for cause. Unless otherwise specifically stated,
reference to a "medical provider" is to an individual providing treatment.

(c) Ombudsperson. The Owner shall appoint the ombudsperson, after reviewing the qualification of the candidate(s) with the Joint Workers' Compensation Committee. The person appointed shall have, at a minimum, the following qualifications: five years of work experience which shall have provided him/her with knowledge and understanding of the workers' compensation laws and familiarity with workers' compensation claims and case management and/or be experienced and certified in Occupational Health practice; and shall not have had an employment relationship with any party to the Agreement, the Owner, the Owner's insurance broker, or the insurance carrier, or with any direct affiliate of these organizations or of a party to the Agreement (an affiliate is one in which a party has or shares control or retains for the provision of business services).

Should the Owner appoint a person whom the union members of the Joint Workers' Compensation Committee believe does not meet these minimum qualifications, they may file a grievance with the Arbitrator appointed under Section 11(c), below to seek removal of such person.

**Section 8. Medical Care and Treatment for Occupational Injury and Disease.**

(a) Authorized Medical Providers. The providers designated under this Agreement shall be the exclusive source of all medical treatment required under Code Section 4600.

(1) All medical and hospital services, except for first aid and other emergency type services only, required by employees subject to this Agreement as the result of a compensable injury or disease, shall be furnished by health care professionals and facilities selected by the employee from a list of health care professionals and facilities agreed to by the parties to this Agreement and available to each employee upon his initial employment at the site. The list may be changed at any time by mutual agreement of the parties. In no event shall the deletion of a provider disrupt the ongoing treatment of an employee receiving treatment from that provider at the time of the decision. The authorized provider organization(s) shall have on their rosters individual Board Certified providers in their respective specialties available for selection by employees for treatment, or for referral from other individual providers, or to act as evaluators. This designation of providers pursuant to Section 3201.5 of the Labor Code replaces all other provisions regarding the selection of medical providers located elsewhere in the Code.
(2) In case of an emergency requiring treatment covered by this Article when no authorized provider is available, the employee may seek treatment from a health care professional or facility not otherwise authorized by this Agreement, to provide treatment during the emergency and such treatment shall be compensated for in reasonable amounts by the carrier as if provided by providers authorized under this Agreement. Responsibility for treatment shall be transferred to an authorized provider as soon as possible, consistent with sound medical practices.

(3) After selecting an authorized provider to furnish treatment for a particular injury, an employee may change once to another authorized provider. When referred by the authorized provider to another provider in a particular specialty, the employee may also change once to another authorized provider in such specialty. Additional changes may be made only with the approval of the Carrier.

(4) The Insurance Carrier shall not be responsible for the cost of medical services furnished by a health care professional or a facility not authorized pursuant to this Agreement, nor for care not required by the Code.

(5) The list of authorized providers administered by the authorized provider organization shall contain sufficient providers for each of the specialties which the parties to this Agreement believe are required to respond to the needs of employees subject to this Agreement, at least some of whom, in each specialty, shall be Board Certified. This shall include, but not be limited to providers within the following specialties:

- Orthopedics
- Neurology
- Neurosurgery
- Ophthalmology
- Cardiology
- Internal Medicine
- Dermatology
- Radiology
- Chiropractic
- General Practice
- Psychiatry
- Pulmonary/Respiratory
- Occupational Medicine
- Oncology

In the event that an authorized provider furnishing treatment to an employee determines that treatment or consultation is necessary from a specialty for which no
authorized provider has been selected through this Agreement, or in the event the distance makes it impractical for treatment from the authorized provider, the authorized provider shall select the additional specialist or additional provider who offers treatment at a practical distance for the employee.

(6) All prescription medicines furnished by virtue of injuries subject to this Agreement shall be furnished by the Insurance Carrier through a jointly-agreed upon medical prescription provider organization or organizations, except in those instances in which an authorized medical provider determines that due to time constraints or other valid medical reasons, use of another prescription source is required.

(7) Evaluation - the Carrier and the employee may each request a second opinion from an authorized provider regarding diagnosis or a treatment evaluation of a related issue. Only one such second opinion shall be permitted by either party for any issue. Such evaluations shall be secured in a manner consistent with, and utilized for the purposes described in, Division 4, Part 1, Chapter 7, Article 2 of the Code. It is not the intent of the parties to the Agreement in this section or in any other portion of this Article to add to or diminish the rights of the respective parties to a workers' compensation dispute to introduce evidence or be prohibited from introducing evidence in an arbitration proceeding in any different manner than they would otherwise be allowed to do in a proceeding before an Administrative Law judge of the WCAB.

(8) The Carrier and the employee shall each be bound by the opinions and recommendations of the authorized provider selected in accordance with this Agreement. In the event of disagreement with the authorized provider's findings or opinions, the sole recourse shall be to obtain a second opinion from another authorized provider in a manner consistent with Chapter 7, Article II of the Code, and to present the second opinion through the Alternative Dispute Resolution Program established in this Agreement.

Section 9. Authorized Vocational Rehabilitation Service Providers.

All vocational rehabilitation evaluator services to which an employee may be entitled under the Labor Code and within the jurisdiction of this Agreement as the result of an occupationally incurred compensable injury, including occupational disease, shall be furnished by a vocational rehabilitation service provider selected by the employee from a list of vocational rehabilitation service providers jointly selected by the parties to this Agreement, hereinafter referred to as "authorized
rehabilitation providers." A list of the authorized rehabilitation providers shall be available to all employees. The list can be changed at any time by mutual agreement of the Joint Workers' Compensation Committee.

Section 10. Alternate Dispute Resolution Program.

(a) This Alternative Dispute Resolution Program ("ADR" or "Program") shall be used in place of and to the exclusion of the Division of Workers' Compensation hearing and disputes resolution procedures affecting a covered employee's benefits to the full extent permitted by Section 3201.5 of the Labor Code, recognizing the continuing authority of the Workers' Compensation Appeals Board ("WCAB") and the California State Courts of Appeal to review all actions taken hereunder in a manner consistent with Section 3201.5. The carrier shall provide to the members of the Joint Workers' Compensation Committee within twenty (20) days of the issuance by the Owner of the first work specification containing this Agreement, a statement of dispute resolution procedures, if any, and issues relating to the workers' compensation proceedings under the Code (such as third party claims) which are not intended to be covered by the ADR procedure established herein. If a majority of the union members of the Committee object to the failure to preempt any particular procedure or issues, and the objection is not resolved within fifteen (15) days of the receipt of the list from the carrier, the Union may initiate a grievance with the arbitrator established in Section 11(c) below as to whether such failure is consistent with the goal of the Parties to the Agreement in utilizing the revised §3201.5 of the Code.

The program shall be used in place of the filing of an Application for Adjudication of Claim with the WCAB. Any claim subject to this Agreement filed with the WCAB for resolution will immediately be removed on Motion of the carrier and placed within the Program established by this Agreement. The Program shall not affect any covered employee's eligibility for, or her/his amount of, workers' compensation benefits, as set forth in the Workers' Compensation Provisions of the Labor Code.

This Program shall apply to all compensable, work-incurred injuries, including occupational disease, as defined by the Code, sustained by employees while working under and covered by this Agreement, as a result of their employment on the Project, on and after the effective date of this Agreement and during the term of this Agreement. Upon the termination of the Agreement, any dispute involving a date of injury occurring during the term of this Agreement for which a timely claim is filed within ninety (90) days after the termination of the Agreement shall continue to be subject to the terms of this Program for the duration of
the case. Any claim for a compensable injury or illness filed after such ninety (90) days shall be processed as though revised §3201.5 does not apply.

(b) The Program shall consist of three components: Ombudsperson; Mediation; and Arbitration.

(1) The Ombudsperson will be selected by the Owner pursuant to Section 7, above and compensated directly or indirectly by the Owner. The Ombudsperson will be familiar with workers' compensation procedures and practices; and shall also serve as the Administrator of the Program. He/she shall be available at reasonable times, upon reasonable notice, at the Project site for the convenience of the employees. The Mediator(s) and the Arbitrator(s) will be selected in chronological rotation from a permanent panel not to exceed three of each to be established by joint agreement of the parties pursuant to Section 7, above. Each shall be knowledgeable regarding the medical and legal aspects of workers' compensation procedures in California. The Division shall provide a list of persons knowledgeable and experienced in workers' compensation procedure and practice. The compensation of the Mediators and Arbitrators shall be provided by the Insurance Carrier.

Pending such agreement, should there be a need for a Mediator and/or Arbitrator to undertake proceedings required by these provisions, such shall be requested from and appointed pursuant to the rules of the Division of Industrial Relations with regard to the appointment of Arbitrators under the Code for workers' compensation matters.

(2) When an employee's workers' compensation benefits are denied, reduced or terminated, or otherwise affected, the employee shall be provided with a written Notice ("Notice") of such action, in a procedural and substantive format similar to those prescribed in Section 4061 of the Code, by the Insurance Carrier, by certified mail. The Notice shall include a summary of the reasons for the action, in terms reasonably calculated to be understandable by the employee.

Within thirty (30) days of the employee's receipt of such Notice, or whenever an employee believes that he/she is not receiving the benefits to which he/she is entitled, including medical and hospital services, the employee shall notify the Ombudsperson. The Ombudsperson shall explain to the employee the response to any employee question/complaint in terms which are understandable by the employee. The Ombudsperson shall maintain a record of all activity affecting any individual employee with whom he/she is involved by reason of these provisions or where he/she becomes aware or reasonable should become aware that such
employee should be involved in these procedures, including the
date of each notification and request for intervention of the
Ombudsperson, the date of each response, the receipt of a form
requesting mediation, and the date of reference of that form to
the Mediator. All records kept by the Ombudsperson shall be kept
in a form consistent with record-keeping requirements under the
Act, if any.

(3) If the issue cannot be resolved to the
satisfaction of the employee within the fifteen (15) business
days after the date of notification to the Ombudsperson, the
employee may apply for mediation on the form available from the
Ombudsperson. Such form shall be filed with the Ombudsperson,
who shall promptly notify the appropriate Mediator and furnish
the Mediator with a copy of the Notice. The parties may extend
the fifteen (15) business day period by mutual agreement, and no
issue shall proceed to mediation without first being presented to
the Ombudsperson.

(c) Mediation. Application for mediation shall be made not
more than twenty-five (25) business days after the Ombudsperson
has responded to the employee's request for assistance. Failure
to timely request mediation will bar any further right to
adjudicate the issue. The parties intend that such mediation
will be a meaningful informal, non-adversarial effort to resolve
all legitimate claims fairly without resort to adversary
proceedings or unnecessary procedures. The Mediator will contact
the parties to the dispute (the employee and the insurance
carrier) and take whatever steps he/she deems necessary to bring
the dispute to an agreed conclusion. At any mediation, the
carrier and the employee (and an advisor to the employee) may be
present. The mediation must be attended by persons with
authority to resolve the dispute.

Mediation shall be completed not more than fifteen (15)
business days from the date of referral, unless otherwise agreed
by the parties to the dispute, including the Mediator, except
that in no event shall an issue be permitted to proceed beyond
mediation until and unless the moving party cooperates with the
Mediator and the mediation process. The Parties to the dispute
may agree in writing to extend such time for a period certain.
Neither party will be permitted to be represented by legal
counsel at mediation. The fact that the employee or the workers'
compensation insurance carrier's representative has had legal
training or is a licensed attorney shall not bar such person from
acting as an advisor to their respective principle at the
mediation session. No such person shall participate on the basis
of a lawyer/client relationship. All communication between the
Mediator and the parties shall be directly with the parties to
the dispute, unless disability or linguistics dictate the need for a surrogate.

If, after the completion of the mediation process, the parties to the dispute are unable to reach agreement, either the employee or the carrier may file with the Ombudsperson, within thirty (30) business days of the completion of the process, a request that the matter be referred to Arbitration. Immediately upon receipt of the request, the Ombudsperson shall notify the appropriate Arbitrator from the Panel designated by the parties to this Agreement, as well as all parties to the dispute, that a request for Arbitration has been received and the Arbitrator shall set a date for a hearing, to be commenced no later than forty-five (45) calendar days after the Arbitrator has received Notice of the Request for Arbitration.

(d) Arbitration. The Arbitration proceeding will be conducted pursuant to the rules and regulations applied by workers' compensation judges under the Code (including rules of evidence and burden of proof), and the Arbitrator shall have the same powers and authority as such judges (and, as appropriate, referees), except as such rules, regulations or powers are specifically modified or supplemented by this Agreement or otherwise in writing by the parties to this Agreement. The arbitration proceeding shall be completed within ten (10) business days of its commencement unless otherwise ordered by the Arbitrator, in his/her sole discretion, to further the interest of fairness to all parties to the dispute and/or completeness of the record. Except in extraordinary circumstances, such extension shall not exceed forty-five (45) days. The Arbitrator shall render a decision within ten (10) business days of the completion of the proceedings. The Arbitrator's decision shall be written in a form consistent with WCAB practices and his/her findings of fact, award, order or decision shall have the same force and effect as that of a workers' compensation judge and be subject to enforcement proceedings and/or review as provided in Section 3201.5(a)(1) of the Code. No written or oral offer or recommendation made during the mediation process by any party or the Mediator shall be admissible in the Arbitration proceeding.

(1) The hearing shall be held in a location convenient to the parties to the dispute as determined in the sole discretion of the Arbitrator, but unless otherwise agreed by the parties to the dispute, no further than fifty (50) miles from the employee's residence at the time he/she was/is working under this Agreement. The proceeding shall be electronically recorded.

(2) At the request of either party, the Arbitrator in his/her sole discretion, may allow depositions of treating physicians. Cost of medical depositions submitted by either of
the parties shall be at their own expense; if the Arbitrator requests the deposition of a treating physician, or otherwise appoints an authorized health care professional to assist in the resolution of any medical issue, the expense will be borne by the carrier.

(3) The decision of the Arbitrator, including his findings of fact, award, or order, shall have the same force and effect as an award, order, or decision of a workers' compensation judge, and shall be subject to review by the Workers' Compensation Appeals Board in the same manner as provided for reconsideration of a final order, decision, or award made and filed by such judge pursuant to the procedures set forth in Article I (commencing with Section 5900) of Chapter 7 of Part IV of Division 4, in the Court of Appeals pursuant to the procedures set forth in Article 2 (commencing with Section 5950) of Chapter 7 of Part IV of Division 4.

(4) Any and all settlements and/or compromises between an employee and an insurance carrier involving a workers' compensation claim arising on this Project and under this Agreement shall be subject to the same appeals and review by the Arbitrator as if he were sitting as a referee under the Code, and appealed to the WCAB to the extent permitted by the Code.

**Section 11. General Provisions.**

(a) All payments required to be made by Contractors pursuant to Sections 5 and 6 of this Article, shall, in accordance with California law, be made by the Workers' Compensation carrier. Similarly, all actions required by law to be undertaken by the Insurance Carrier rather than the Contractor shall be performed by the Workers' Compensation Insurance Carrier. The Carrier and/or the ombudsperson will provide all notices to the employees and/or applicants, and in such form, as are required to be issued or otherwise referenced in the workers' compensation provisions of the Code.

(b) If any provisions of Sections 5 - 10 of this Article or their application to any person or circumstances held invalid, the invalidity shall not affect other provisions or application of such Section or of the remainder of this Agreement that can be given affect without the invalid provision or application, and to implement this provision it is understood that the provisions of Sections 5 and 6, as with the remainder of this Agreement are declared to be severable. Further, in the event of legal action contesting the legality of Sections 5 - 10 of this Article, or any portion of them, the parties agree to jointly defend such provision and such Sections, and shall actively assist each other in such defense.
(c) It is the intent of the parties to meet the spirit and letter of the requirements of Section 3201.5 of the Labor Code. To the extent that the Department of Industrial Relations, Division of Workers' Compensation, succeeds in enjoining or otherwise preventing the application of part or all of the Program and provisions as contained in Sections 5(b) and 6, above, by an order of the final court of competent jurisdiction, the parties shall meet expeditiously to adjust their Agreement to meet the requirements of the Code, and failing to reach Agreement within thirty (30) days after notification of such failure to comply by the Division, the matter shall be referred to Howard S. Block, ESQ., for development of an appropriate provision or provisions consistent with the spirit of this Agreement.

(d) No employee shall be denied the right to consult and/or be advised by legal counsel of his/her choice, if desired at any time during the processes established herein. However, it is recognized that the ADR Program here established is intended to be a non-adversarial, and until an arbitration is requested by a covered employee, no attorney shall participate in the system as counsel of record for either the employee or the carrier. Counsel fees until and unless awarded as part of an arbitration proceeding shall be the sole responsibility of the person retaining the attorney.

ARTICLE XIII
NON-DISCRIMINATION

Section 1. The Contractor and Union agree that they will not discriminate against any employee or applicant for employment because of race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation in any manner prohibited by law or regulation. The Union shall cooperate with the Contractors' obligations to take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to race, sex (including pregnancy, childbirth, or related medical condition), creed, national origin, color, disability as defined by law, disabled veteran status, Vietnam veteran status, religion, age (40 and above), medical condition (cancer-related), marital status, ancestry, or sexual orientation. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including
apprenticeship. Any complaints regarding the application of this provision shall be brought to the immediate attention of the involved contractor for consideration and resolution.

Section 2. It is recognized that special procedures may be established by joint agreement of the parties to this Agreement and governmental agencies for the training and employment of persons who have not previously qualified to be employed on construction projects of the type covered by this Agreement. The parties agree that they will make all good faith efforts to assist in the proper implementation of such orders, regulations or agreements for the general benefit of the residents of Southern California.

Section 3. It is recognized that the Owner has certain policies and commitments for the utilization of business enterprises owned and/or controlled by minorities and/or women. The parties shall jointly endeavor to assure that these commitments are fully met and that any provisions of this Agreement which may appear to interfere with any minority or woman owned business enterprise successfully bidding for work within the scope of this Agreement shall be carefully reviewed, and adjustments made as may be appropriate and agreed upon among the parties, to assure full compliance with the spirit and the letter of the Owner's policies and commitments and all applicable Federal, state and local rules and regulations relating to employment and utilization of minorities and minority and/or women owned businesses.

ARTICLE XIV
TRAVEL AND SUBSISTENCE

Travel expenses, travel time, subsistence allowance and/or zone rates and parking reimbursements shall not be applicable to work under this Agreement except to the extent provided for in any applicable prevailing wage determination.

ARTICLE XV
WORKING CONDITIONS

Section 1. There will be no rest periods, organized coffee breaks or other non-working time established during working hours. Individual coffee containers will be permitted at the employee's work location.

Section 2. The Owner and/or the Project Contractor shall establish such reasonable Project rules as the Owner or Project Contractor deems appropriate and not inconsistent with this Agreement. These rules will be explained at the pre-job
conference and posted at the Project site by the Contractor and may be amended thereafter as necessary. Failure to observe these rules and regulations by any employer may be grounds for discipline, including discharge.

Section 3. There shall be no restrictions on the emergency use of any tools by any qualified employee or supervisor; or on the use of any tools or equipment for the performance of work within the jurisdiction, provided the employee can safely use the tools and/or the equipment involved.

Section 4. Recognizing the nature of the work being conducted on the site, employee access by a private automobile may be limited to certain roads and/or parking areas.

ARTICLE XVI
SAVINGS AND SEPARABILITY

Section 1. It is not the intention of either the Contractor or the Union parties to violate any laws governing the subject matter of this Agreement. The parties hereto agree that in the event any provisions of the Agreement are finally held or determined to be illegal or void as being in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect unless the part or parts so found to be void are wholly inseparable from the remaining portions of this Agreement. Further, the Contractor and Union agree that if and when any provisions of this Agreement are finally held or determined to be illegal or void by a court of competent jurisdiction, the parties will promptly enter into negotiations concerning the substance affected by such decision for the purpose of achieving conformity with the requirements of any applicable law and the intent of the parties hereto.

Section 2. The parties recognize the right of the Owner to withdraw, at its absolute discretion, the utilization of this Agreement as part of any bid specification should a court of competent jurisdiction issue any order, or any applicable statute be invoked with contains any self-applying provision, either of which could result, temporarily or permanently, in delay of the bidding, awarding, and/or construction work on the Project. Notwithstanding such an action by the Owner, or such court order or statutory provision, the Parties agree that the Agreement shall remain in full force and effect on the Project, to the maximum extent legally possible.

Section 3. The occurrence of events covered by Sections 1 and/or 2 above shall not be construed to waive the prohibitions of Article VI.
ARTICLE XVII
DURATION OF THE AGREEMENT

This Project Labor Agreement shall be effective on August 1, 1996, and shall continue in effect for the duration of the Project Construction work described in Article II hereof.

Section 1(a). Turnover. Construction of any phase, portion, section or segment of the Project shall be deemed complete when such phase, portion, section or segments has been turned over to the Owner by the Contractor and the Owner has accepted such phase, portion, section or segment. As areas and systems of the Project are inspected and construction tested and/or approved by the Project Contractor and accepted by the Owner or third parties with the approval of the Owner, the Agreement shall have no further force or effect on such items or areas, except when the Contractor is directed by the Project Contractor or Owner to engage in repairs or modifications required by its contract(s) with the Owner or Project Contractor.

(b) Notice. Notice of each final acceptance received by the Contractor will be provided to the union with a description of what portion, segment, etc. has been accepted. Final acceptance may be subject to a "punch" list, and in such case, the Agreement will continue to apply to each such item on the list until it is completed to the satisfaction of the Owner and Notice of Acceptance is given by the Owner to the Contractor.

(c) Termination. Final termination of all obligations, rights and liabilities and disagreements shall occur upon receipt by the union of a notice from the Project Contractor or Owner saying that no work remains within the scope of this Agreement for the Project Contractor or its successor.

Section 2. Schedule A's incorporated as part of this Project Agreement shall continue in full force and effect until a Contractor and/or union parties to the Collective Bargaining Agreements which are the basis for such Schedule A's notify the Project Contractor of mutually agreed upon changes in such Agreements and their effective date(s).

The parties agree to recognize and implement such changes on their effective dates, provided, however, that any provisions negotiated in said collective bargaining agreements will not apply to work covered by this Agreement if such provisions are less favorable to the contractor than those uniformly required of contractors for construction work normally covered by those Agreements; nor shall any provision be recognized or applied if
it may be construed to apply exclusively or predominantly to work covered by this Agreement. Any disagreement between the parties over the incorporation into a Schedule A of any such provision agreed upon in the negotiation of the local collective bargaining agreement which serves as the basis for the Schedule A shall be referred to Howard S. Block, ESQ., for resolution under the procedures established in Article VII. As part of this understanding, the Contractor agrees and consents to pay the increased wages and increased contributions to the relevant jointly administered trust funds pursuant to the provisions of any collective bargaining agreements negotiated by the unions during the work performed on the Project retroactively to the expiration date of the applicable Schedule A, provided, however, if the provisions of any such new collective bargaining agreement provide that said increases shall not become effective until a later date after the date following the expiration date, then that later date shall prevail.

Section 3. The Union agrees that there will be no strikes, work stoppages, sympathy strikes, picketing, slowdowns, or any other disruptive activity affecting the Project by any union involved in the negotiation of such local collective bargaining agreements and the resulting Schedule A's, nor shall there be any lock-out on this Project affecting the Union during the course of such negotiations.
In witness whereof, the parties have caused this Agreement to be executed and effective as of the day and year first above written:

For the Project Contractor:

McAntorris
Parsons Constructors Inc.

For the Union:

Robert A. Vergine
President
Building and Construction Trades Department, AFL-CIO

Rachel M. Glassner
Secretary-Treasurer
Building and Construction Trades Department, AFL-CIO

Ralph V. "Chip"
President
Building and Construction Trades Council of California

Joe Pantoja
San Bernardino and Riverside Counties Building and Construction Trades Council
INTERNATIONAL ASSOCIATION
OF HEAT AND FROST INSULATORS
AND ASBESTOS WORKERS:

[Signature on file]

INTERNATIONAL UNION OF
BRICKLAYER AND ALLIED
CRAFTSMEN:

INTERNATIONAL BROTHERHOOD
OF BOILERMKERS, IRON SHIP
BUILDERS, BLACKSMITHS,
FORGERS AND HELPERS:

UNITED BROTHERHOOD OF
CARPENTERS AND JOINERS OF
AMERICA:

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS:

INTERNATIONAL ASSOCIATION OF
BRIDGE, STRUCTURAL AND
ORNAMENTAL IRON WORKERS:

LABORERS' INTERNATIONAL UNION
OF NORTH AMERICA:
INTERNATIONAL UNION OF OPERATING ENGINEERS:

[Signature]

INTERNATIONAL BROTHERHOOD OF PAINTERS AND ALLIED TRADES:

[Signature]

SHEET METAL WORKERS' INTERNATIONAL ASSOCIATION:

[Signature]

UNITED UNION OF ROOFERS, WATERPROOFERS AND ALLIED WORKERS:

[Signature]

INTERNATIONAL BROTHERHOOD OF TEAMSTERS:

[Signature]
Signatory Local Unions

Electrical Workers Local 477
By: Jim B. Steiger

District Council of Iron
By: Joe Hard

Teamsters Local 166
By: Kilan Hansen

Boilermakers Local 92
By: Manuel Seg

Carpenters Local 944
Samuel C. Frizby

Plumbers Local 365
By: Frank W. Brown

Laborers Local 383
By: Joseph J.

Sheet Metal Local 102
By: Philip H. Cah

Local 5 Laborer Workers
By: Robert Moore

By: William Waggoner
Operating Engineers Local #1
Signatory Local Unions

LABORERS' INTERNATIONAL UNION
OF NORTH AMERICA, LOCAL 1184

By: John Smith
August 30th, 1996

Tile, Marble & Terrazzo, Local 18

By: Tom Thomas
Sept 12, 1996

Electrical Workers, Local 880

By: William J. Ross
Sept. 3, 1996

Millwrights, Local 1507

By: James L. Barlow

Plasterers, Local 200

By: Bill Ryan

STEAMFITTERS LOCAL UNION 250

By: Jack Lewis

Southern California Painters & Allied Trades District Council
No. 36

By: Grant Mitchell
Business Manager

Plumbers Local 345

By: David Billet"
September 23, 1996

Mr. Joe Perez
Executive Secretary
Building and Construction Trades Council
San Bernardino and Riverside Counties
AFL-CIO
1074 E. La Cadena Dr., Suite 8
Riverside, CA 92501

Re: Inland Feeder Project Labor Agreement (IF-PLA)

Dear Mr. Perez:

Consistent with Article XII, Section 1 (c) of the Agreement, PCI, as the Project Contractor, has made reasonable modifications in Article XII, Section 1 (c) to conform to its own established policy. PCI has put this policy into effect for all work performed on the Project. All Contractors and Unions shall comply with this policy. Copies will be distributed to all Contractors and Unions for this Project.

PCI further prohibits possession of all firearms while on the Owner's premises.

Sincerely Yours,

[Signature]
Michael W. D'Antuono
on behalf of PCI
October 1, 1996

Mr. William Waggoner
Business Manager
Operating Engineers Local 12
150 East Corson Street
Pasadena, California 91103

Dear Mr. Waggoner:

SUBJECT:  MWD Inland Feeder Project Labor Agreement

This letter will confirm our understanding concerning the interpretation and application of Article IV, Section 2, and Article VI, Section 1, of the MWD Inland Feeder Project Labor Agreement as those sections might affect the equipment manning provisions of the Operating Engineers local collective bargaining agreement. In the negotiations, the parties agreed in Article IV, Section 2, that the Contractor has the right to determine the number of employees it will hire. You have requested that we clarify, in light of this provision, the effect of the Project Agreement supercession clause, Article II, Section 4, upon the various manning requirements contained in the Operating Engineers local agreement.

As a result of our discussions with you, we have confirmed our mutual interpretation that the equipment manning requirements of the OE local agreement are not superseded and therefore they would apply to set the manning levels for the equipment falling within the jurisdiction of the Operating Engineers, consistent with other provisions of the Project Labor Agreement. Article IV, Section 2, does not purport to regulate the classifications the Contractor employs on particular equipment; it addresses only the number required. Accordingly, the classifications and the functions they perform as set out in the Schedule A are unaffected by this Section.

The Parties also agree in the Project Labor Agreement that, “No rules, customs, or practices which limit or restrict productivity, efficiency, or the individual and/or joint working efforts of employees shall be permitted or observed.” Article VI, Section I. This provision, coupled with the right to determine the number of employees hired, is vital to the Contractor's right and responsibility to direct the performance of the work, and does not require more workers than are necessary to perform the work.

The parties agree that they will keep an open channel of communication to insure that all parties to this agreement are fully informed of facts affecting the substance of this letter.
If you agree that this letter accurately sets forth the substance of our understanding and provides the basis for resolving any questions concerning the interpretation and application of Article IV, Section 2, and Article VI, Section 1, of the Project Labor Agreement, please indicate your acceptance in the space provided below.

Very truly yours,

[Signature]
Michael W. D’Antuono
President

MWD:BWC:sm

Agreed and Accepted this ___ day of October, 1996

International Union of Operating Engineers, Local 12

By: [Signature]
William Waggoner
Business Manager
Mr. Gary D. Dixon, Sr.
Manager, Labor Relations
Parsons Constructors, Inc.
1820 Commerce Center Circle
San Bernardino, California 92402

Re: Inland Feeder Project
   Labor Agreement—Letter of Assent

Dear Sir:

This is to confirm that [Name of Company] agrees to be a party to and bound by the Inland Feeder Project Labor Agreement (the "Labor Agreement") as entered into by and between Parsons Constructors Inc., its successors or assignees, and the Building and Construction Trades Department, AFL-CIO, and other signatory Building and Construction Trades Councils and Unions, dated August 1, 1996, as such Labor Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

Such obligation to be a party to and bound by this Labor Agreement shall extend to all work covered by said Labor Agreement undertaken by this Company on the Inland Feeder Project pursuant to Contract No. [Contract Number or identifying description], and [Name of Company] shall require all its subcontractors, of whatever tier, to become similarly bound for all their work within the scope of this Labor Agreement by signing an identical Letter of Assent.

Sincerely,

[Name of Construction Company]

By: ______________________________
   [Name and Title of Authorized Executive]

cc: Project Manager
    Inland Feeder Project
    Metropolitan Water District of
    Southern California
PARSONS CONSTRUCTORS INC.  
ALCOHOL/DRUG FREE WORKPLACE POLICY

1.0  INTRODUCTION

The Parsons Constructors Inc. (PCI) Drug and Alcohol-Free Workplace Policy is a standardized construction contractor substance abuse policy which will yield the following benefits:

- Promote a safe, drug and alcohol abuse free workplace which, in turn, will reduce risk and prevent accidents that result from the use of alcohol and prohibited substances.

- Standardize construction contractor requirements and reduce the cost of repetitious substance testing of employees. This includes the requirement for the construction contractor to hire Drug Intervention Services of America, Inc. (DISA) (371 Van Ness Way, Suite 130, Torrance, CA 90501; Ph# 310-787-2299, Fax# 310-787-2292), to manage the alcohol and substance-abuse program for the contractor and sub-contractors of all tiers.

- Expedite access of employee to job sites without the delay and cost of waiting for test results.

- Enhance workplace pride and preserve the dignity of the working men and women.

- Provide a program which can be easily audited to ensure compliance.

2.0  PCI POLICY STATEMENT

The PCI objective is to provide a consistent, fair, manageable and objective program subject to audit for drug and alcohol testing of construction contractor employees involved in performing, monitoring or overseeing the work at the Inland Feeder Project (IFP) and employees/applicants covered under the Project Labor Agreement (PLA). Reporting for work under the influence of alcohol or a prohibited substance or possessing a prohibited substance is a violation of this policy and will result in termination of employment. Construction contractors shall not employ on the Inland Feeder Project any person who fails or refuses to take a test required under this policy or who tests positive, except for a person who has tested positive on the Inland Feeder Project and who has successfully undergone rehabilitation, passed a “return to work” drug test and been approved by a Medical Review Officer (MRO) for return to work. Appendix 1 contains definitions of terms commonly used throughout this policy.
3.0 "ACTIVE/INACTIVE" STATUS AND VERIFICATION SYSTEM

It is PCI's intent, working with DISA, to establish a system which will classify construction contractor employees/applicants as being either an "active" or "inactive" employees/applicants. Any construction contractor employee/applicant who has not demonstrated compliance with the requirements of this policy will be classified as "inactive". All construction contractor employees who have demonstrated compliance with the requirements of this policy will be classified as "active".

Construction contractors have the right to refuse to test "inactive" applicants. An "active" designation makes a construction contractor employee "eligible for", but does not guarantee access to the Inland Feeder Project sites, because an employee may need to be re-tested or comply with other Inland Feeder Project requirements, outside this policy, for site access.

4.0 TESTING PROGRAM

Although alcohol and all illegal substances are prohibited on the Inland Feeder Project sites, the substances listed in the safety sensitive drug panel (as shown in Appendix II) are of particular concern. The substance panel is subject to change as substance usage and availability patterns suggest the addition or deletion of substances. Construction contractors and Unions will be notified prior to such changes.

Substance abuse testing of Employee/Applicant shall be coordinated by construction contractors using the following screening methods and for the following instances:

<table>
<thead>
<tr>
<th>Instance</th>
<th>Testing Method</th>
<th>Drug and Alcohol Panels (See Appendix II)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-hire</td>
<td>Biosite on site screening device and confirmation test as required or laboratory screening test and confirmation test as required</td>
<td>Drugs of abuse</td>
</tr>
<tr>
<td>Reasonable Suspicion/Cause</td>
<td>Biosite on site screening device and confirmation test as required or laboratory screening test; confirmation test as required, and evidential breath tester (EBT)</td>
<td>Drugs of abuse and alcohol</td>
</tr>
<tr>
<td>Instance</td>
<td>Testing Method</td>
<td>Drug and Alcohol Panels</td>
</tr>
<tr>
<td>---------------------------</td>
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</tr>
<tr>
<td>Random</td>
<td>Biosite on site screening device and confirmation test as required, or laboratory screening test and confirmation test as required.</td>
<td>Drugs of abuse</td>
</tr>
<tr>
<td>Post Accident/Incident</td>
<td>Biosite on site screening device and confirmation test as required; or laboratory screening test and confirmation test as required; and evidential breath tester (EBT)</td>
<td>Drugs of abuse and alcohol</td>
</tr>
<tr>
<td>Return to duty</td>
<td>Biosite on site screening device and confirmation test as required, or laboratory screening test and confirmation test as required</td>
<td>Drugs of abuse</td>
</tr>
<tr>
<td>Re-testing</td>
<td>Biosite on site screening device and confirmation test as required, or laboratory screening test and confirmation test as required.</td>
<td>Drugs of abuse</td>
</tr>
</tbody>
</table>

4.1 Pre-Hire Tests

Construction contractor employees/applicants shall be required to submit to and pass a pre-hire substance abuse drug screening test prior to their admittance to the site. If an employee/applicant fails a pre-hire test, he/she is eligible to re-test after 12 months, provided he/she has successfully completed a rehabilitation program approved by the MRO, and passed a return to duty test.

4.2 Reasonable Suspicion/Cause Testing

Construction contractors shall require their employees to submit to Reasonable Suspicion/Cause testing when the following characteristics are displayed:

a. Observable phenomena, such as direct observation of alcohol, prohibited substance use and/or possession or physical behavior that would indicate the use of alcohol or illegal substances.

b. A documented pattern of abnormal conduct or erratic behavior.
c. Arrest and conviction for a substance related offense or identification of a construction contractor employee as the focus of a criminal investigation into illegal substance possession, use or trafficking while on a participating owner's property.

d. Evidence of illegal substance use, possession, sale or delivery while on owner's property.

e. Newly discovered evidence that construction contractor employee/applicant has tampered with a previous substance abuse test.

f. A construction contractor employee/applicant is found in the immediate area of drug related paraphernalia, alcoholic beverages or substances that are prohibited by the PCI policy.

The construction contractor supervisor or their designee must promptly escort the employee to the collection site for a drug/alcohol test and make arrangements for the safe transportation of the employee to his/her home.

All reasonable suspicion testing requests shall be substantiated by a second individual. Either the person making the original request or the second individual will have been trained in recognizing the attributes of prohibited substance use.

The employee will be deemed "inactive" pending test results and access will be denied to the site until test results are provided.

4.3 Random Testing

A random selection process, administered by DISA, will be used to identify employees for monthly random testing for substances listed in Appendix II. Employees will be selected for testing by using a random number table or a computer-based random number generator that selects an employee's social security number. Each month, the construction contractor will be required to test a number of current employees equal to or exceeding 5% of the number employed on the last day of the previous month. Those eligible for random testing include the employees of the prime contractor and subcontractors of all tiers. Each time that employees are randomly selected for drug testing, the names of all employees of the construction contractor shall be included in the selection process. No employee shall be excluded merely because he or she has been randomly selected and tested earlier. The random selection and notification will be performed by DISA.

Upon receipt of the random selection list construction contractor shall have 72 hours to notify the employees of their selection. When an employee has been notified of their random selection, they must report to a test collection site within 60 minutes, plus travel time. An employee to be tested on site should be accompanied by a Construction contractor Supervisor or designee when
reporting to the collection facility. Failure of the selected employee to submit to the testing in the time allotted will result in their being placed in an “inactive” status until the specimen is submitted.

4.4 Post Accident/Incident Testing

Construction contractors shall require their employees to submit to post accident/incident testing for either of the following reasons, as determined by the construction contractor representative and/or the PCI representative:

a. The employee is involved in a work related accident which results in bodily injury, or damage to public, construction contractor or MWD property.

b. The employee is involved in an incident (including near misses) in which safety rules and regulations may have been violated.

The employee will remain “active” pending test results. However, access may be restricted at sites.

Post Accident/Incident tests will be conducted immediately after an accident or incident.

If an employee is injured, unconscious or other otherwise unable to submit to the test, the construction contractor should ensure all necessary steps are taken to obtain a valid test sample as soon as it can be obtained.

4.5 Return-to-Duty Test

The test required before an employee may change status from “Inactive” to “Active”.

4.6 Re-testing

Construction contractor employees/applicants may request a verification test of their original specimen, at their cost, provided they submit their request to DISA in writing within seventy-two (72) hours from the time the employee/applicant is notified by the MRO of a positive result. Any confirmed presence of a substance in the sample results in a failed test. If the presence is not confirmed, the result is reported as passing.
5.0 TESTING AND ANALYSIS PROCEDURES

Medical personnel, collection site personnel, and clinical testing laboratory personnel must maintain medical confidentiality and require use of chain-of-custody and forensic procedures for all specimens. All procedures involved with the handling of the specimen and the accompanying paperwork must mirror federal protocol when legally permissible.

5.1 Test Collection Site

To facilitate prompt and efficient on site screening for drugs of abuse, PCI and DISA have approved the use of the Biosite screening device (consistent with NIDA cut-off levels) for Employee/Applicant testing. All screening and confirmation levels shall be consistent with NIDA and additional drug panels listed in PCI’s Policy, (see Appendix II). All procedures including collection, chain of custody, preparation and transportation of samples must be conducted in accordance with DHHS guidelines by a trained person. DISA shall approve all facilities and handling procedures. The protocol for alcohol testing must conform to the guidelines included in PCI’s policy, (See Appendix II).

5.2 Test Laboratories

All confirmation test analysis of urine test will be performed according to National Institute on Drug Abuse (NIDA).

Construction contractors will use laboratories certified by NIDA.

The laboratory shall provide results of the testing to DISA, which will subsequently notify the construction contractor’s communicator.

5.3 Verification And Notification Of Positive Test Results

A Medical Review Officer (MRO) will review all failing test results.

Failing test results at or above the confirmation levels as designated by DHHS guidelines and the PCI policy, (see Appendix II), without acceptable medical explanations by a reviewing MRO, will be noted as a confirmed failing test. The MRO will first contact the construction contractor’s communicator when attempting to reach donors to discuss test results. The communicator will take the necessary steps to have the donor contact the MRO. If, as a result of speaking to the donor, the MRO concludes that the result is negative, the donor will be able to return to the work site. If the result is confirmed as positive the donor will become “inactive”, will be immediately removed from the work site.
5.4 Refusal To Submit A Specimen

If a construction contractor employee/applicant refuses to test in accordance with this policy, they shall be declared "inactive" and become ineligible to work at the Inland Feeder Project sites. The following instances will be considered as "refusal to submit a specimen".

a. Any refusal to provide a specimen as directed, or
b. Failure to report for collection as specified in Section 4.3 above, or
c. Submitting an altered specimen.

6.0 REHABILITATION PROGRAM

If a construction contractor employee fails a random, post-accident or reasonable suspicion test, he/she shall have one opportunity to enter and complete a rehabilitation program of which he/she may be responsible for the cost. To re-qualify for an “active” status, the MRO must deem the rehabilitation program acceptable, and the employee must pass a return-to-duty test. The employee will be subject to unannounced testing (in addition to random testing) for a period to be determined by the MRO. Failure to comply with the rehabilitation requirements, including any subsequent positive test, will result in a five-year exclusion from the Inland Feeder Project.

7.0 CONFIDENTIAL RECORDS

To maintain the confidentiality of individual construction contractor employee alcohol and drug testing records and any records of rehabilitation, DISA will maintain all records received from the MRO.

Information regarding an individual's alcohol and drug test results or rehabilitation records will be released only upon the written consent of the individual, except such information will be released, regardless of consent, to the representative of a state or federal agency upon request by subpoena or other legal process such as a court order. Statistical data, as well as anti-drug plans or policies related to drug testing and rehabilitation which contains no identification information, will be made available to PCI for the purpose of auditing compliance with, and effectiveness of, this policy.
8.0 TRAINING

8.1 Supervisor Training

Each participating construction contractor shall provide training regarding this policy. Training on the recognition of performance indicators of probable drug use and on its effects and consequences to personal health, safety and the workplace shall be included. It is required that personnel who will determine whether an employee member must be tested based on reasonable suspicion, receive at least one hour of training on the specific, contemporaneous, physical, behavioral and performance indicators of probable drug and alcohol use.

8.2 Employee Training

Upon initial entry to the Inland Feeder Project, construction contractor companies will review with their employees the PCI policy and any additional substance abuse policy requirements mandated by law and maintain written documentation of the review.

9.0 PROGRAM REVIEW AND AUDIT

Construction contractor program will be reviewed at least annually by PCI. This policy is subject to reasonable modifications. Construction contractors and Unions will be notified of such modifications prior to their implementation.

The policies, procedures, protocols and non-name specific records of DISA are available for a confidential audit by PCI, construction contractors, or Unions.

10.0 ADDITIONAL REQUIREMENTS

PCI recognizes that construction contractors conduct a variety of work activities which may dictate different drug and alcohol test requirements. While PCI policy will satisfy the contract requirements of the Metropolitan Water District of Southern California’s Inland Feeder Project and the PLA, it may not cover all Federal requirements to which a construction contractor may be subject. DISA will also manage other substance abuse programs construction contractors may be required to follow, such as federally mandated programs under Department of Transportation guidelines.
APPENDIX I

DEFINITIONS:

PARSONS Constructors INC. (PCI)

Provides construction labor/safety management support services to Metropolitan Water District (Owner) for the Inland Feeder Project. Also identified as Project Contractor in the Project Labor Agreement.

METROPOLITAN, OWNER

The Metropolitan Water District of Southern California.

INLAND FEEDER PROJECT (IFP)

Metropolitan Water District Project is the development of a water distribution pipeline that begins in the Devil Canyon area north of San Bernardino, California and ties into the Colorado River Aqueduct south of Lake Perris, near San Jacinto, California, then continuing in a Southwesterly direction, terminating at the junction of the Casa Loma and San Diego canals, connecting them to the Eastside Pipeline.

INLAND FEEDER - PROJECT LABOR AGREEMENT - (IF-PLA)

The PLA is between the project contractor, the construction contractors, and the unions.

CONSTRUCTION CONTRACTOR

All construction contractors and sub-contractors of whatever tier engaged in the Inland Feeder Project construction work.

CONSTRUCTION CONTRACTOR EMPLOYEE

Employees of a construction contractor involved in performing monitoring or overseeing the work or covered by the PLA.

COMPANY COMMUNICATOR

A manager of the employees construction company authorized by the company to conduct the day-to-day operation of the alcohol and substance abuse policy.
PLA COVERED POSITIONS

Construction contractor positions (job classifications/titles) subject to drug testing, generally covered by the State of California Department of Labor general prevailing wage determination for the San Bernardino/Riverside Counties.

LABORATORY SCREENING TEST

The initial immunoassay screening process performed in a laboratory for substances which meet the cut-off/threshold testing levels for each drug class according to the NIDA guidelines.

BIOSITE SCREENING DEVICE

A rapid multiple immunoassay screening system for the qualitative detection of the major metabolites of the substances listed in PCI's policy (see Appendix II).

CONFIRMATION TEST

All specimens identified as positive on the screening test shall be confirmed using Gas Chromatography/Mass Spectrometry (GC/MS) techniques at the cut-off values listed in the policy (see Appendix II). The GC/MS procedure will be performed at NIDA certified laboratory.

MEDICAL REVIEW OFFICER (MRO)

A licensed physician responsible for receiving laboratory results generated by PCI's drug free workplace policy, and who is knowledgeable of substance abuse disorders. The MRO must have appropriate medical training to interpret and evaluate an employee member's test result in conjunction with the employee member's medical history and any other relevant bio-medical information.

"ACTIVE" STATUS

A construction contractor employee who is in compliance with this policy and is eligible to work at the Inland Feeder Project sites.

"INACTIVE" STATUS

A construction contractor employee or applicant who is ineligible to work at the Inland Feeder Project sites due to a positive test, self-identification, refusal to submit to a test, failure to follow rehabilitation requirements, or failure to consent to release test results or rehabilitation records.
APPLICANT

An individual to be assigned or who has been initially referred for work and who has not satisfied all the construction contractor requirements/tests to be hired for work on the Inland Feeder Project site.
APPENDIX II

DRUG AND ALCOHOL PANELS
SAFETY SENSITIVE

<table>
<thead>
<tr>
<th>Drugs*</th>
<th>Screen (ng/mL)</th>
<th>Confirm (ng/mL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amphetamines</td>
<td>1000</td>
<td>500</td>
</tr>
<tr>
<td>Barbiturates</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>Benzodiazepines</td>
<td>300</td>
<td>100</td>
</tr>
<tr>
<td>Cocaine</td>
<td>300</td>
<td>150</td>
</tr>
<tr>
<td>Opiates</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Cannabinoids</td>
<td>50</td>
<td>15</td>
</tr>
<tr>
<td>PCP</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td><strong>Alcohol</strong></td>
<td>.04%</td>
<td>.04%</td>
</tr>
</tbody>
</table>

* The protocols for Drug and Alcohol testing should be those as established by the Department of Health and Human Services.

** Breathalyzer, Evidence Breath Tester (EBT) will be used for screen and confirm. Other methods may be used if they conform to the Department of Transportation (DOT) conforming product list.