

HYDRO-VAC SERVICES WORK MASTER LABOR AGREEMENT

between

**THE INTERNATIONAL UNION OF OPERATING ENGINEERS,
LOCAL UNION NO. 12**



and the

SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION, INC.



TERM OF AGREEMENT:

September 1, 2025 until August 31, 2028

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between

SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION, INC.

and

**INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL UNION NO. 12**

This Agreement entered into this 1st day of September 2025, by and between SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION, INC., party of the first part, hereinafter referred to as the EMPLOYER/CONTRACTOR, and the INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL UNION NO. 12, affiliated with the AFL-CIO, party of the second part, hereinafter referred to as the UNION.

PURPOSE

The Contractors are engaged in providing hydro-vac services work in Southern California in the performance of their present and future contracting operations are employing, and will employ, workmen under the terms of this Agreement. The Contractors want to be assured of their ability to procure workmen for the work covered by this Agreement in the area hereinafter defined in Article I, in sufficient number and with sufficient skill to assure continuity of work in the completion of their construction contracts. The Union and the Contractors, by this Agreement, intend to establish uniform rates of pay, hours of employment and working conditions for the employees covered by this Agreement. The Union and the Contractors further intend by this Agreement to provide, establish and put into practice an effective method for the settlement of misunderstandings, disputes and grievances.

ARTICLE I General Provisions

A. Definitions:

1. The term "Contractors", as used herein, shall refer to the Southern California Contractors Association, Inc., for their eligible members. A roster of Contractor members signatory to this Agreement shall be furnished to the Union at the signing of this Agreement and monthly upon the acceptance of new members.

2. The term "Union", as used herein, shall refer to the International Union of Operating Engineers, Local Union No. 12, affiliated with the Building and Construction Trades Department, AFL-CIO.

3. The term "Contractor" (or "Employer"), shall refer to a person, firm, limited liability company or corporation, party to this Agreement.

4. The term "Workmen", as used herein, shall refer to persons in the labor market not employed.

5. The term "Employee" or "Employees", as used herein, shall refer to the employed person, or persons.

B. Coverage:

1. This Agreement shall cover and apply in Southern California, more particularly described as the Counties of Imperial, Inyo, Kern, Los Angeles, Mono, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, San Diego, Baja California, Mexico and Ventura.

2. This Agreement shall cover and apply to all work falling within the recognized jurisdiction of the Union and shall cover all work in connection with the operation of hydro-vac equipment, their maintenance and repair including transporting under their own power or being transported.

(a) It shall cover work on building, heavy highway and engineering construction, including: the construction of, in whole or in part, or the improvement of modification thereof, including any structure or operations which are incidental thereto, the assembly, operation, maintenance and repair of all equipment, vehicles and other facilities, including helicopters, used in connection with the performance of the aforementioned work and services and including without limitation the following types or classes of work:

(b) Street and highway work, grading and paving, excavation of earth and rock, grade separations, elevated highways, viaducts, bridges, abutments, retaining walls, subways, airport grading, potholing, surfacing and drainage, electric transmission lines and conduit projects, water supply, water development, reclamation, irrigation, drainage and flood control projects, water mains, pile lines, sanitation and sewer projects, dams, aqueducts, canals, reservoirs, intakes, channels, levees, dikes, revetments, quarrying of breakwater or riprap stone, foundations, pile driving, piers, locks, river and harbor projects; breakwaters, jetties, dredging, tunnels, soil testing and building inspection.

(c) The construction, erection, alteration, repair, modification, demolition, addition or improvement, in whole or in part, of any building structure, including oil or gas refineries and incidental structures, also including any grading, excavation, potholing, or similar operations which are incidental thereto, or the installation, operation, maintenance and repair of equipment, and other facilities used in connection with the performance of such building construction except where such structures are an incidental or supplemental part of highway and engineering construction, as defined in this Article.

3. In addition, any work performed on pipelines or facilities that would otherwise be covered under "national" agreements i.e., National Pipeline Agreement, National Maintenance Agreement, General Presidents' Agreement, PLA, and or similar, shall follow said applicable agreement. Provided, however, when an owner or general contractor on a particular project requires the Contractor to become signatory to a different trade on that project for what would otherwise be covered work under this Agreement, the Contractor is permitted to do so and such work will not be considered to be covered work under this Agreement.

(a) In addition to the above, this Agreement shall also include work in the Contractors' yards and shops.

4. This Agreement shall cover and apply to all employees engaged in work covered by the terms of this Agreement, except that it shall not cover and apply to executives, superintendents, assistant superintendents, office engineers, timekeepers, messenger boys, office workers, or any other employee of the Contractor above the rank of Craft Foreman or Master Mechanics, except as herein provided.

(a) The parties to this Agreement recognize that Operating Engineer Foremen are dispatched by the Union or appointed by the Contractor and are subject to negotiated wage rates and shift schedules and are covered by contributions into the various Operating Engineer Fringe Benefit Trusts for all hours worked or paid, and, as Foremen, are utilized as representatives of the Contractor in a supervisory capacity.

5. The Union may, however, file all grievances and disputes through the grievance procedure under Article V of this Agreement, and may, at their discretion, institute their prerogatives regarding Union proceedings.

6. All work performed and all services rendered by the employees for the Contractor shall be rendered under terms and provisions at not less than those contained herein.

C. Employee Rights, Union Standards and Work Preservation:

1. The purposes of this Paragraph C are to preserve and protect the work opportunities normally available to employees and workmen covered by this Agreement, maintenance and protection of standards and benefits of employees and workmen negotiated over many years and preservation of the right of Union employees, employed hereunder, from being compelled to work with non-union workmen.

2. In the event that enforcement of Paragraph C is restrained by issuance of an injunction by a United States District Court upon the petition of a Regional Director of the National Labor Relations Board, or otherwise, such provision shall be suspended pending its final adjudication and the provisions set forth in Paragraph B-6 shall be applicable pending final adjudication thereof.

3. Definition of Subcontractor:

A subcontractor is defined as any person (other than an employee covered by this Agreement), firm, limited liability company or corporation, holding a valid State Contractor's License where required by law, who agrees orally or in writing to perform, or who in fact performs for or on behalf of an individual Contractor, or the Subcontractor of an individual Contractor, any part or portion of the work covered by this Agreement.

4. The Contractor agrees that he or his Subcontractor shall employ one or more employees who are represented by the Union, on each jobsite on which he or any Subcontractor on the jobsite is performing work of the type covered by this Agreement, as defined in Article I and the classifications contained in Appendix "A", and that neither the Contractor nor any Subcontractor on the jobsite will subcontract any work to be done at the site of construction, alteration, painting or repair of a building, structure or other work except to a person, firm, limited liability company or corporation, party to a current labor agreement with the Union, or the basic crafts, namely, the Teamsters and Ironworkers who are also party to an agreement covering the particular work generally recognized as the jurisdiction as defined by the Building and Construction Trades Department.

5. The parties to this Agreement recognize and acknowledge that the foregoing provisions have been agreed upon in the context of the on-site construction industry uncertainty over applicable law. The absence of definitive legal criteria may make renegotiation or modification of this paragraph necessary or advisable and for these reasons it is agreed that, in the event this provision is determined unlawful by the NLRB or the U.S. District Court, or the District Court enjoins its enforcement or in the event the Court of Appeals for the Ninth Circuit or the Supreme Court permits a broader clause, then this entire paragraph shall be reopened for negotiation of amendments by either party giving fifteen (15) days' notice, and upon the parties failing to agree on amendments. The issue shall be submitted to the Labor-Management Adjustment Board for adjudication. In the event the Labor-Management Adjustment Board is unable to resolve the dispute, the matter shall be referred to an arbitrator for final and binding decision.

6. The Contractor and his Subcontractors shall not subcontract any jobsite work, except to a Contractor whose employees on that job are members of a bona fide labor organization and whose labor costs on such jobs at all times during the term of his subcontract hereunder are not less than those of the Contractors performing similar work to that covered by this Agreement, including, but not limited to costs of subsistence, vacation, holiday, medical, hospitalization, wages, premiums, dental, life insurance and retirement benefits as provided by this Agreement.

7. The Contractor shall require each such Subcontractor to weekly supply to the Contractor, who will then, upon request make available to the Union a copy of the Subcontractor's certified labor cost, for such job and to submit to an audit of those labor costs by a Certified Public Accountant upon request of the Union, to confirm compliance with Paragraph D-7.

8. Failure to comply with the foregoing Sub-paragraphs 4, 5, 6 and 7 shall entitle the Union, notwithstanding Article V, to seek judicial relief, upon written notice to the Contractor and the Subcontractor, to compel the suspension of such Subcontractor's work until there has been compliance, together with attorneys' fees for the bringing of such action. In any such Court proceeding, the Court shall, if it is thereafter in dispute, determine whether there has been compliance.

9. The parties to this Agreement recognize and acknowledge that the foregoing provisions have been agreed upon in the context of the on-site construction industry, uncertainty over applicable law. The absence of definitive legal criteria may make renegotiation or modification of this paragraph necessary or advisable and for these reasons it is agreed that, in the event this provision is determined unlawful by the NLRB or the U.S. District Court, or the District Court enjoins its enforcement, then this entire paragraph shall be reopened for negotiation of amendments by either party giving fifteen (15) days' notice and upon the parties failing to agree on amendments, then Article III of this Agreement shall be suspended and the parties may take either strike or lockout action, upon sixty (60) days' prior written notice.

D. Trust Payment Delinquencies and Penalties:

1. Trust Funds:

The Trustees of the Trust Funds through their Administrator shall give written notice to a delinquent Contractor with a copy to the Union, advising the Contractor to correct a delinquency within ten (10) days of the giving of such notice. Any dispute between the parties, or between the Trustees and a Contractor, concerning the payment or non-payment of monies due the Trust Funds, shall not be subject to Article V (concerning procedures for settlement of grievances) of this Agreement. The Union may withhold services from any or all jobs of such delinquent Contractor after said ten (10) day period, if the delinquency is not corrected. In this event, the provisions of Article III and V of this Agreement shall not apply to any such delinquent Contractor, regardless of any change of name or association, until after all delinquent amounts owed to the Trust Funds have been paid in full.

2. The Trustees of the Trust Funds, through their Administrator, shall furnish each Contractor Association and the Union a list of delinquent Contractors each month. Because the furnishing of services by a Subcontractor who has not made the appropriate fringe benefit payments serves to undermine the standards of this Agreement and to deprive employees who would otherwise be having fringe benefit contributions paid on their behalf of the opportunity for employment, the Contractor agrees that it shall not subcontract any portion of his job to any such Subcontractor. The Contractor agrees that he will not subcontract any portion of his job to any Contractor whose name appears on the delinquent list, unless the delinquent Contractor has paid all delinquent monies to the various Trust Funds.

3. In the event the Contractor subcontracts to any delinquent Subcontractor, in violation of the foregoing, the Contractor shall be liable to the Trustees for all accrued delinquencies of the Subcontractor, provided, however that the amount

of the Contractor's liability shall not exceed Ten Thousand Dollars (\$10,000.00) or ten percent (10%) of the gross subcontract price, whichever is greater. The Contractor shall withhold sufficient funds from monies due or to become due such Subcontractor and shall pay the sums over to the Trust Funds. If a Subcontractor becomes delinquent after commencing work for the Contractor, the Contractor shall be liable for all delinquencies incurred on the job after ten (10) days following the date of the delinquency list on which the Subcontractor's name first appeared. The Contractor shall terminate the contract of the Subcontractor who fails to promptly correct his delinquency. This paragraph shall be enforceable only through a lawsuit.

4. In the event that new methods of operation, systems, procedures, equipment, technology, or other changes are developed, introduced or utilized by a Contractor or Subcontractor which replace, modify or add to the work covered by this Agreement, this Agreement shall apply to such new methods and only employees covered by this Agreement shall perform such work.

5. An Employer who pays any amounts to the Trust Fund under protest and claims a right to recover such amounts shall be considered delinquent to the Trust Funds until the dispute concerning such amounts is finally resolved.

6. The Contractor has a duty to report to the Trust Funds as required by the Agreement. The Contractor shall maintain for a period of not less than five (5) years all payroll and related records showing all payments to persons or firms for work of the nature covered by this Agreement. The Contractor shall make available such records for audit by the Trust Funds representative upon written request. The Contractor and the Union agree that such audits are expensive and time-consuming for the Trust Funds and the Contractor, but the Trust Funds otherwise have no way of knowing the full extent of the Contractor's obligation, since the records showing the related employment are in the possession and control of the Contractor. In order to minimize the need for and frequency of such audits, the Contractor agrees that the Trustees and the Union place trust and confidence in the Contractor to report and pay contributions properly. For these reasons, if an audit by the Trust Funds discovers that the Contractor has failed to report and pay properly as required by this Agreement, the Trust Funds right to sue for the Contractor's failure to pay shall begin to run from the date of the audit in which the delinquent amounts are discovered.

7. An Employer who refuses to permit an audit by authorized representatives of the Trust Funds shall be considered delinquent to the Trust Funds and shall be liable to the Trust Funds for all legal costs, including attorney fees, incurred by the Trust Funds in obtaining the audit regardless of whether the audit finds any delinquent contributions due.

8. All signatory Employers who fail to send the monthly report form as required by the various Trust Funds, whether any employees are employed or not, shall be considered delinquent to the Trust Funds. An Employer may notify the Trust Funds, by Certified Mail, of his desire to be deleted from the official mailing list for the period of time in which he will not be employing persons covered by this Agreement. Such

notification or deletion shall not affect in any way the Employer's obligation to abide by all terms of this Agreement.

9. All signatory Employers found to be delinquent shall pay for all legal expenses, including attorney fees, and auditing costs in connection with such delinquency, plus liquidated damages in the amount of Twenty-Five Dollars (\$25.00), or ten percent (10%) of the total sum of the contributions, whichever is greater, to the Trust Funds to which the delinquent contributions were owed.

10. The terms "Trustees" and "Trust Funds" as used in this Article mean and refer to those several Trusts and Board of Trustees established and maintained pursuant to Article VIII, IX, X, XI, XII and XIII, jointly and severally, as their interest may appear.

E. Loading and Unloading Equipment:

1. So far as it is within the control of the Contractor, the loading and unloading of equipment which is operated by employees covered by this Agreement, or the transportation of such equipment by means of its own power, shall be performed by employees covered by this Agreement. Nothing herein contained shall be construed to prohibit the normal delivery of freight by common carrier.

2. The Contractor and his Subcontractors shall have freedom of choice in the purchase of materials, supplies and equipment, except that every reasonable effort shall be made by the Contractor and his Subcontractors to refrain from the use of materials, supplies or equipment which use will tend to cause any discord or disturbance on the project.

F. Warranty Work:

Nothing in this Agreement shall limit the right of the Contractor to utilize machinery and equipment dealers to perform major repairs on machinery and equipment on or off the jobsite. All other maintenance and repairs which are normally and customarily performed by persons in the classification of Heavy Duty Repairman/Welder shall be performed by employees covered by this Agreement. If, during the term of this Agreement the parties to this Agreement determine that this paragraph is unworkable, then either party may reopen the Agreement with sixty (60) days' prior notice to the other party for the purpose of renegotiating this paragraph only.

ARTICLE II

Union Recognition

A. The Contractor hereby recognizes the Union as the sole and exclusive collective bargaining representative of all employees of the Contractor over whom the Union has jurisdiction, including such jurisdiction as provided in Article I, Section B, as defined by the Building and Construction Trades Department of the AFL-CIO (including, but not limited to, electric transmission lines, conduit projects and substations).

B. The Union hereby recognizes the Southern California Contractors Association, Inc. in all the Southern California Counties, including San Diego County, Baja California, Mexico, as the sole and exclusive bargaining representatives for their respective members who are, or who become a party to this Agreement, and agrees that during the term of this Agreement, it will not negotiate or enter into agreement with such members of the Association relative to part, or all of the subject matters covered by this Agreement, provided that the members of the above named Association party to this Agreement shall be and continue to remain liable under this Agreement during the term hereof, even though a member shall resign or be suspended from an Association prior to the date set for the expiration of the Agreement. If such member drops his Association membership, or is suspended, such Contractor shall be bound by any renewals or extensions of this Agreement unless he gives the appropriate Association and the Union at least sixty (60) days' written notice, provided to the Union and shall be effective only upon receipt at the Union's main office, Certified Mail Return Receipt Requested, addressed to the attention of the Business Manager at 150 Corson Street, Pasadena, California 91103 prior to August 31, 2028, or of any subsequent year, of his intent not to be bound by a new or renewed Agreement. The terms and provisions contained in Article III and V of this Agreement shall not apply when a member resigns or is suspended from the Association.

Such former or suspended member shall be bound by all of the terms and provisions of the Union's Short Form Agreement automatically, upon becoming a former or suspended member and without the necessity of executing the Short Form Agreement. The Association will advise the Union of any such communication and it shall be sent to the attention of the Business Manager at 150 Corson Street, Pasadena, California 91103 or notice of any new, resigned or suspended members within thirty (30) days' after admission to membership or change in membership status.

C. By Memorandum of Understanding between the bargaining representatives of this Agreement and the bargaining representatives of other geographical areas, provision may be made for the transfer of certain key employees of an individual Employer on a non-discriminatory basis. Employees of an individual Employer who are transferred into the jurisdiction of Local 12, under the provisions outlined in this paragraph, shall be allowed to remain on the job or project, in the classifications for which they were dispatched for its duration, but these employees shall not acquire Group "A" Status. However, if any Employer is successful in being awarded another project in Local 12, he will no longer be considered as being a Contractor from outside the territorial jurisdiction of Local Union No. 12, and will employ all of his personnel through the dispatch offices of the Local Union.

D. Definitions:

1. Group "A" Status:

(a) Workmen who as employees have performed work covered by the Master Labor Agreement and who have registered and have been available for work as employees at least two and one-half (2½) years accumulatively within the five (5) years immediately preceding registration at the dispatch office in the territorial

jurisdiction of the Union and who are available for employment shall attain Group "A" Status and may be requested by a Contractor by name subject to the foregoing and confirmed in writing by the Contractor no later than forty-eight (48) hours after the workman reports for work. There shall be no job soliciting.

(b) Workmen shall have "A" Status extended for any period of incapacity or military service or for any period during which they are transferred by a Contractor to a job or project outside the geographic area of this Agreement and are there employed by such Contractor or by a joint venture with which said Contractor is associated. "A" Status to be extended to Owner-Operators who previously had "A" Status.

(c) Workmen who have completed the Apprenticeship Training Program established under this Agreement shall obtain "A" Status. Any Apprentice having been cancelled for just cause after written and specific notice and full and fair hearing by the Apprenticeship Committee, or who has dropped out of the program of his own accord, shall not be permitted to register for employment with the Local Union for a period of two (2) years after cancellation or until such time as he would have graduated from the program, whichever time period is shorter.

(d) Workmen employed by an Employer at the time of his Employer signing this Collective Bargaining Agreement shall obtain "A" Status after two and one-half (2½) years in conformity with Subparagraph (a).

2. Group "B" Status:

Workmen who have lost their preference as Group "A" workmen or who have performed work of the type covered by this Agreement under a collective bargaining agreement with the Union and who are registered on the out-of-work list and are available for employment.

3. Group "C" Status:

Workmen whose names are entered on the out-of-work list and who are available for employment but who fail to qualify for Group "A" or Group "B". Applicants dispatched on two (2) occasions and who fail to qualify for the work to which they were dispatched shall not be dispatched until requested by a former Employer.

E. All Officers and Business Representatives of the Union who have had experience in any one or more of the classifications of work contained in this Agreement, and all employees above rank of craft foreman employed by the individual Contractor in the area covered by this Agreement who have previously had work experience in one or more of the classifications contained in this Agreement, shall be deemed to be employed at the trade, and it is the intent of this section to provide that upon return to the employment of an individual Contractor as an employee at the trade, he shall do so with the same preference as if he had continually worked for individual Contractors.

F. Employees employed by one or more of the Contractors for a period of eight (8) days continuously or accumulatively, shall be or become members of the Union after the eight (8) day period, or the effective date of this Agreement, whichever is later, and shall remain members of the Union as a condition of continued employment. Membership in the Union shall be available upon terms and qualifications not more burdensome than those applicable at such time to other similarly situated applicants for membership to the Union.

G. In the employment of workmen for all work covered by this Agreement in the territory above described, the following provisions subject to the conditions of this Article II, shall govern:

1. Hiring - Union Responsibilities:

(a) The Union shall establish and maintain open and non-discriminatory employment lists for workmen desiring employment on work covered by this Agreement, and such workmen shall be entitled to registration and dispatch subject to the provisions of this Article.

(b) The District Dispatching Office will furnish, in accordance with the request of the Contractor, each such qualified competent workman from among those entered on said lists to the Contractor by use of a written referral, in the order of preference outlined in "Definitions", this Article and the selection of workmen for referral to jobs shall be on a non-discriminatory basis and shall not be based on, or in any way affected by Union membership, By-Laws, rules, regulations, constitutional provisions or any other aspect or obligation of Union membership, policies or requirements. The Union shall not investigate or be responsible for the competence or qualifications of workmen and shall rely solely upon the workmen's representations.

(1) Subject to the foregoing, the individual Contractor is the judge as to the competency of all his employees and applicants for employment. The Contractor may reject any job applicant referred by the Union. All employees must perform their work to the satisfaction of the Contractor. All workmen shall be employed in accordance with the provisions of this Agreement.

(2) No employee shall be discharged or discriminated against for activities in behalf of, or in representation of, the Union not interfering with the proper performance of his duties. Any discharge may be subject to the grievance procedure.

(3) The Union will maintain District Dispatching Offices in the following cities to provide service to the Contractor:

<u>District Office</u>	<u>Territory Covered</u>
Pasadena	Los Angeles County, except Long Beach Area
Ventura	Ventura, Santa Barbara and San Luis Obispo Counties
Bakersfield	Kern, Inyo and Mono Counties
San Diego.....	San Diego County and Baja California, Mexico
Redlands	San Bernardino, Riverside and Imperial Counties
Anaheim	Orange County and Long Beach Area of Los Angeles County
Las Vegas, Nevada	Clark, Lincoln, Nye and Esmeralda Counties
Phoenix, Arizona	All Counties in the State of Arizona

Employees employed by the Contractor pursuant to the terms of this Agreement shall not be removed or transferred by the Union unless prior approval of the Contractor involved is obtained.

2. Hiring - Contractor Responsibilities:

(a) The Contractor shall first call a District Dispatching Office (as referred to above) for such men as he may from time to time need and the office shall furnish to the Contractor the required number of qualified and competent workmen of the classifications needed and requested by the Contractor, strictly in accordance with the provisions of this Article.

(b) It shall be the responsibility of the Contractor, when ordering men to give the Union all the pertinent information regarding the workmen's employment.

(c) Reasonable advance notice (but no later than twenty (20) hours prior to the required reporting time) will be given by the Contractor to the Dispatching Office upon ordering such workmen; and in the event that forty-eight (48) hours after such notice, the Dispatching Office does not furnish such workmen, the Contractor may procure workmen from any other source or sources. If men are so employed, the Contractor will immediately report to the Dispatching Office each such workman by name.

(d) In the event of litigation resulting from a jobsite accident, the Contractor will utilize the services of his counsel to represent an employee.

(e) The Contractor shall have the right to transfer employees from one district to another within the geographical area of this Agreement.

(1) When employees are transferred to a job by the Employer and of necessity must remain away from their permanent home, the Employer and the employee will agree to the amount of compensation if the job is not located in a subsistence zone.

H. The Employer and the Union will not discriminate against any person with regard to employment or Union membership because of his or her ancestry, age (40 and above), color, disability (physical and mental, including H.I.V. and AIDS), genetic

information, gender, gender identity, gender expression, marital status, medical condition (genetic characteristics, cancer or a record or history of cancer), military or veteran status, national origin (includes language restrictions), race, religion (includes religious dress and grooming practices), sex (includes pregnancy, childbirth, breastfeeding and/or related medical conditions), sexual orientation and hereby declare their acceptance and support of existing laws. This shall apply to hiring, placement, training during employment, rates of pay or other forms of compensation, layoff or termination and application to Union membership.

I. The need for and utilization of Apprentice(s) and or the Local 12 Apprentice Program will be determined and mutually agreed by the Employer and Union where applicable. The Employer will comply with all State and Federal Laws pertaining to apprenticeship on projects.

J. The Contractor found violating any portion of the Article or the Subcontractor clause in Article I, shall be liable in liquidated damages to the Union in the amount of one (1) days' pay at the highest Journeyman rate under this Agreement for each day or portion thereof, and for each person as to whom the violation occurred. In the case of a violation of Article II, the Contractor shall immediately order another workman from the Union's out-of-work list. This paragraph shall be enforceable by a law suit in which the plaintiff shall be entitled to damages and attorney's fees if it prevails in whole or in part.

ARTICLE III Strikes - Lockouts - Jurisdictional Disputes

A. It is agreed by the parties hereto that all grievances or disputes arising between them over the interpretation or application of the terms of this Agreement shall be settled by the procedure set forth in Article V hereof. During the term of this Agreement, the Union shall not call or engage in, sanction or assist in a strike against or any slowdown or stoppage of the work of the Contractor. The employees will perform the services for the Contractor under work described herein when required by said Contractor to do so, and during the term of this Agreement, the Contractor shall not call or engage in, sanction or assist in a lockout of the employees on work described herein.

B. Except as otherwise provided in this Agreement, there shall be no strike, lockout or work stoppage by any party hereto or any individual Employer.

C. If work on a project is declared to be unfair by a Building and Construction Trades Council or the International Union of Operating Engineers, Local Union No. 12, and the work thereon is stopped for that reason, the Union shall not be deemed to have violated this Agreement if, during the period of said work stoppage, the members of the Union refuse to cross a primary picket line.

D. It is clearly understood by the parties signatory hereto that all classifications contained in this Agreement shall be manned by Employees covered by this Agreement and shall be assigned accordingly.

E. The classifications contained in Appendix "A" shall be recognized as the work of the Operating Engineers and shall be assigned accordingly.

F. No employee covered hereby may be discharged by an individual Employer for refusing to cross a primary picket line sanctioned by the Building and Construction Trades Council, Craft District Council or Joint Council of Teamsters No. 42 or the Local Union in the area or for engaging in any conduct protected by Sections 7 or 502 of the Labor-Management Relations Act of 1947, as amended.

G. The Union and the Contractor agree, during the term hereof, there shall be no strikes, lockouts, slowdowns or stoppages of work occasioned by jurisdictional disputes. All employees covered by this Agreement shall perform the work customarily performed by them and will cooperate and work with members of other organizations affiliated with the Building and Construction Trades Department of the AFL-CIO.

H. When making work assignments, the Contractor shall assign the work in accordance with existing inter-craft agreements between the Unions first. In the absence of such inter-craft agreements, then past practice or the prevailing practice in the locality shall apply. The Union will furnish the hydro-vac service provider with approved inter-craft agreements. The locality for the purpose of determining the prevailing practice shall be defined as the geographical area covered by this Agreement. If a dispute arises prior to the assignment of work, or where there is no predominant practice in the locality or inter-craft agreement, the Contractor shall consult the representatives of the contesting trades regarding any arguments or facts the trades may wish to present to their claim to the work.

I. Jurisdictional disputes which cannot be resolved at the local level shall then be referred to the International Unions involved for determination and the work shall proceed as assigned by the Contractor until such determination by the International Unions has been confirmed to the disputing Unions and the Contractors.

J. In the event of the failure of settlement under the paragraph above, the Contractor and the Unions agree that when the contending Unions, through either General President, submit the dispute to the Plan for the Settlement of Jurisdictional Disputes for the Construction Industry, the Contractors and the Unions agree to be bound by the decisions of said Plan and agree to put such decisions into effect without delay. Until resolution of the dispute by the Plan, the Contractor's assignment of work shall be valid. Each subcontractor will be stipulated to the Plan through subcontract documents and no contractor or subcontractor party to this Agreement shall submit any jurisdictional dispute to any other jurisdictional dispute resolution process except as provided for in this Article.

K. This Plan shall run for the term of this Agreement and shall continue in effect for each year thereafter unless specifically terminated, effective upon the anniversary date of said Agreement, in accordance with the notice provisions contained in the Agreement. In the event the Plan for the Settlement of Jurisdictional Disputes for the Construction Industry ceases to function, the provisions of Article XV, General Savings Clause, will apply.

L. Nothing contained in this Agreement or any part thereof or in this Article III or any part thereof shall affect or apply to the Union in any action the Union may take against any Contractor who has failed, neglected or refused to comply with or execute the final settlement or decision reached through the procedures for settlement of disputes under the terms of Article V hereof, or the jurisdictional determinations in accordance with this Article III, except grievances concerning secondary provisions of this Agreement, for which the Union may sue to confirm the award.

ARTICLE IV **Classifications**

A. When new types of equipment or machines are put into operation for which present classifications and wage rates are not applicable, the Contractor, the Contractor Association and the Union will, within three (3) working days, agree upon temporary classification and wage rate. Such temporary classification and wage rate shall be immediately referred by Contractor Association to the Labor-Management Adjustment Board which shall meet no less than quarterly if requested, to review and establish the proper classification and wage rate. Either party having a dispute under this Article shall have the right of adjudication of same in accordance with the provisions of Article V.

B. The Contractor and the Union agree that wage scales apply to classifications rather than to men. They agree when the number of pieces of equipment on a job or project exceed the number of employees employed to operate the equipment, the Contractor shall not assign the operation of any of the equipment to any other employee not covered by this Agreement. If the Contractor is found violating this Paragraph B of Article IV, the Contractor shall pay a penalty contribution to the Operating Engineers Health and Welfare Fund equal to one (1) days' pay or portion thereof for each day of violation. However, an employee who is transferred to another piece of equipment and who is not qualified to operate that equipment, shall not be discharged or laid off but shall be returned to the equipment to which he was originally dispatched if such equipment will be further used within a reasonable time on the project. This Paragraph B shall not apply to indentured apprentices.

C. Any classification not shown herein shall take the Master Labor Agreement wage rates and working conditions in the area in which the work is performed. Employees covered by the terms of this Agreement may be utilized on a temporary basis to operate such equipment.

D. There shall be no limitations or restrictions against use of any machinery, tools, or labor-saving devices, provided, however, that such machinery or power tools and equipment shall be furnished by the Contractor and provided, further, that no employee shall be required to work under any conditions that are injurious to his health or safety, or in conflict with the present well established customs in the industry.

E. An employee who has been found to have been unjustifiably disciplined or discharged for refusing to perform work which would endanger his health or safety, or

the health or safety of any other employee, may be reinstated in his former classification as determined by the grievance procedure.

F. If a Contractor is found violating any portion of this Agreement, the Contractor shall immediately pay compensatory damages to the Health and Welfare Fund in an amount as determined through the grievance procedure.

ARTICLE V **Procedure for Settlement of Grievances and Disputes**

A. There is hereby established a Labor-Management Adjustment Board composed of two (2) representatives from the Association and two (2) representatives from the Union who actually negotiated this Agreement and two (2) alternates from each party. The Labor-Management Adjustment Board shall have the authority to adopt such procedures consistent with the terms of this Agreement as necessary for the conduct of the Board's hearings. This Board shall have authority to perform the functions set forth herein, except that it shall not have authority to make decisions which would add to, alter, vary or modify any of the terms or provisions of this Agreement. Each of the parties hereto, shall within ten (10) days after the execution of this Agreement, appoint its representatives and at once notify the other party in writing of the name and business address of each representative appointed. They shall at their first meeting select a Chairman and a Secretary, and thereafter the Board shall meet at the call of the Chairman. No dispute, complaint or grievance shall be recognized unless called to the attention of the individual Contractor and the Union within thirty (30) days after the alleged violation occurred.

1. The parties to this Agreement agree to be bound by any and all decisions, assessments, or recommendations and will abide by any compromise recommended by the Labor-Management Adjustment Board whose decisions shall be final and binding on either or both parties.

2. In the event the Labor-Management Adjustment Board does not reach a decision for reasons of its own, any dispute or grievance may be referred to arbitration by either or both parties and the cost of arbitration will be borne totally by the losing party.

B. The following procedures for settling grievances and disputes shall be followed without deviation to the end. Any Contractor or any employee of a Contractor will be duly represented in his grievance.

1. No work stoppages by any employees, or employee, except as noted in Article III will be recognized as a grievance unless the job or project is in operation. This paragraph is intended to mean, all employees are to work at their assigned duties and to follow the grievance procedures without interrupting the progress of the job. Common judgment is to be used in unsafe conditions and no subterfuges are to be employed by either employees or Contractors.

2. The first step toward settling a grievance or dispute will be between the Union Representative and the authorized representative of the Contractor. If a Job Steward is present on the job or project, such Steward may be requested to lend information as necessary.

3. In the event the issue is not settled in a meeting between the Union Representative and the Contractor, the Labor Relations Representative of the Contractors Association shall meet with the Contractor and the Union's Representative in an attempt to resolve the dispute.

(a) At the conclusion of the aforesaid meeting, the Union Representative and the Association Representative shall make a written report of the dispute to their respective principals. Such report shall give all pertinent information and the disposition of their meeting.

4. In the event the issue was not resolved at this meeting, the issue shall immediately be referred to the Labor-Management Adjustment Board for their consideration and decision.

(a) Either party may bring those involved in the dispute to the hearing of the Labor-Management Adjustment Board to assist in presenting their position.

(b) After a full hearing has been held, the Labor-Management Adjustment Board, in Executive Session, and after due consideration of the case, shall vote by secret ballot as a Board and not as Association members or Union members.

5. The Chairman of the Labor-Management Adjustment Board or Arbitrator shall render the decision of the Board, including penalties, reinstatement, discharge, etc., in writing to the parties involved. This decision is final and binding.

6. A quorum to conduct official hearings shall consist of two (2) Association Negotiators with full power to act for the Association and two (2) Union Negotiators with full power to act for the Union. The Union and the Contractor parties shall have an equal number of total votes at all times.

(a) It is agreed that one (1) Representative Staff member from the Association may represent the Contractor Board member who is absent. (That is, two (2) Contractors and one (1) Staff Representative).

7. Minutes of all meetings of the Labor-Management Adjustment Board shall be recorded by one of the Board members selected by the Board, and shall be signed by all members of the Board. Minutes shall be a condensation and need not be verbatim.

C. In the event a dispute is referred to arbitration, said dispute shall be reduced to writing by the Board. The Board reserves the right to refer a dispute to the

American Arbitration Association or the Federal Mediation and Conciliation Service and agrees to abide by their Rules of Procedure.

D. The Arbitrator shall have no authority to make recommendations or decisions which would add to, alter, vary or modify any of the terms or provisions of this Agreement. All decisions of the Arbitrator shall be based on the language of this Agreement and the intent of the Negotiating Committee.

E. The time limit for all the steps in this Article shall be five (5) working days but may be extended by mutual agreement of the Board.

ARTICLE VI **Business Representatives and Stewards**

A. The Business Representative of the Union shall have access to the jobs during working hours for the purpose of performing his assigned duties.

B. The Steward(s) shall be a working employee selected by the Union, who shall in addition to his regularly assigned work, be permitted to perform during working hours, such of his Steward's duties, as outlined in Paragraph D of this Article, as cannot be performed otherwise. The Union agrees that such duties shall be performed as expeditiously as possible and the Employer agrees to allow the performance of such duties as herein set forth. The Union shall notify the Employer, or his representative, in writing, of the appointment of the Steward(s); and the Employer, or his representative, prior to laying off or discharging the Steward(s) for cause, will meet with the representative of the Union two (2) full working days prior to such intended layoff or discharge. If at that time it is determined it is a justifiable layoff or discharge, the Employer or his representative will notify the Union in writing of these results. It is recognized by the Employer that the employee selected as the Steward(s) shall remain on the job as long as there is work in a classification he or she is qualified to perform. The Steward(s) shall not be discharged or laid off for the performance of his agreed-upon duties when performed in accordance with this Article.

C. Stewards shall be given job security and will be given equal time on a monthly basis for work they are qualified to perform. There shall be no discrimination against the Union Steward(s) for performing his Union duties. New employees shall on their first day of employment show their job referrals to the Steward(s). If the Steward(s) is not immediately available, the new employee shall show his referral to the Steward(s) as soon as possible.

D. To promote harmony between the Union and the individual Employer, the Steward(s) shall be limited to and shall not exceed the following duties and activities:

1. Check the job referral of each employee dispatched under the terms of this Agreement to the Employer.
2. Work with the Employer's designated representative in charge of the job in an attempt to resolve disputes prior to the application of the grievance procedure.

3. Report to the Employer's designated representative any employee covered by this Agreement who works for less than the overtime rate and/or goes to work without a job referral.

4. Report to the Employer's designated representative any work belonging to the Operating Engineers being done by non-dispatched men or by workmen of another craft.

5. Report to his Business Representative infractions of the Agreement which have not been resolved between himself and the Employer's designated representative.

6. Make a complete job check during work hours once a month.

7. Report to his Business Representative any employee covered by this Agreement who leaves the jobsite without giving the Employer and the Steward(s) prior notice.

8. Report any reckless or unsafe employees covered by this Agreement on the jobsite to the Employer's designated representative or his Business Representative.

9. The Steward shall not:

(a) Stop the Employer's work for any reason.

(b) Tell any workman, or any employee covered by this Agreement, that he cannot work on the job.

10. Infraction of either of these two rules shall be cause for immediate dismissal of the Steward without any prior notice.

11. In the event the Steward is off work for an extended period of time not to exceed two (2) years due to injury or illness and returns to work, the Contractor shall reinstate the Steward to the same job classification as when he left. If said classification is not available, then the Steward shall work in a classification he is qualified to perform.

ARTICLE VII

Existing and Other Agreements

No Contractor, party hereto, shall be required to pay higher wages or be subject to less favorable working conditions than those applicable to other Contractors employing workmen covered by the terms of this Agreement or performing similar work in the area covered by this Agreement.

ARTICLE VIII **Health and Welfare Plan**

A. A health and welfare fund known as the Operating Engineers Health and Welfare Fund has been established by the Contractors and the Union by an Agreement and Declaration of Trust dated November 23, 1954, and subsequently amended by the parties to this Agreement. The Contractors agree to abide by said Agreement and Declaration of Trust and, further, to make payments to the Fund in the amount designated in Appendix "B" of this Agreement. The participation by the Contractors in said Trust shall be for the duration of this Agreement and any renewals or extensions thereof, or for the period workmen are employed under the terms of this Agreement.

B. In the event the Trustees determine that they are unable to maintain the then existing level of benefits of the Plan without reducing the reserve funds of the Trust below the minimum required three (3) months premiums, they shall promptly advise the parties to this Agreement and Declaration of Trust of their conclusion and shall certify to said parties to this Agreement and Declaration of Trust of their conclusions and shall certify to said parties their estimate of the rate of contributions which will be sufficient to maintain the then existing level of benefits of the Plan.

1. The parties to this Agreement agree that if a majority of the participants in this Plan at a Semi-Annual Membership Meeting or a special called General Membership Meeting desire to increase the hourly contribution, as contained in this Article, to maintain or increase the level of benefits by allocating additional cents per hour from their existing hourly wage rate or from future agreed to wage increases, they will amend this Article in accordance thereof.

2. The intent of Paragraph B-1 of this Article is to maintain the level of benefits agreed to by the Trustees for the period of this Agreement without any increased cost to the Employers.

C. The Trustees of the respective Trust Funds shall be instructed to comply with these provisions and the parties agree to make any amendments in the respective Trust Agreements necessary to accomplish the above.

D. The Contractor may make contributions on behalf of executives, craft superintendents, assistant superintendents, master mechanics and office engineers as they are defined in the Exclusion Clause of Article I, Paragraph B-4, in the amount and manner to be determined by the Trustees.

ARTICLE IX **Pension**

A. A pension fund known as the Operating Engineers Pension Trust has been established by the Contractors and the Union by an Agreement and Declaration of Trust dated December 13, 1960, and subsequently amended by the parties to this Agreement. The Contractors agree to abide by said Agreement and Declaration of Trust and further to make payments to the Fund in the amount designated in Appendix

"B" of this Agreement. Participation by the Contractors in said Trust shall be for the duration of this Agreement and any renewals or extensions thereof, or for the period workmen are employed under the terms of this Agreement.

B. The Trustees of the respective Trust Funds shall be instructed to comply with these provisions and the parties agree to make any amendments in the respective Trust Agreements necessary to accomplish the above.

C. The Contractor may make voluntary contributions on behalf of executives, craft superintendents, assistant superintendents, master mechanics and office engineers as they are defined in the Exclusion Clause of Article I, Paragraph B-4, in the amounts and manner to be determined by the Trustees. The Contractor Associations may make voluntary contributions on behalf of staff members in the amounts and manner to be determined by the Trustees.

D. Commencing with the first actuarial valuation prepared subsequent to this Collective Bargaining Agreement, the Trustees of the Pension Fund are hereby directed to request of the actuary that the Scheduled Cost of the Plan in that valuation and in each subsequent actuarial valuation be derived by using a single rolling amortization schedule of a period of fifteen (15) years for the Plan's combined unfunded actuarial accrued liability.

ARTICLE X **Defined Contribution Plan (Annuity)**

A. A defined contribution fund known as the Operating Engineers Defined Contribution Trust has been established by the Contractors and the Union by an Agreement and Declaration of Trust dated June 14, 2018, and subsequently amended by the parties to this Agreement. The Contractors agree to abide by said Agreement and Declaration of Trust and, further, to make payments to the Fund in the amount designated in Appendix "B" of this Agreement for all straight-time or overtime hours worked or paid each employee under this Agreement. Participation of the Contractors in said Trust shall be for the duration of this Agreement and any renewals or extension thereof or for the period workmen are employed under the terms of this Agreement.

B. The Trustees of the respective Trust Funds shall be instructed to comply with these provisions and the parties agree to make any amendments in the respective Trust Agreements necessary to accomplish the above.

C. The Contractor may make contributions on behalf of executives, craft superintendents, assistant superintendents, master mechanics and office engineers as they are defined in the Exclusion Clause of Article I, Paragraph B-4, in the amounts and manner to be determined by the Trustees.

ARTICLE XI **Vacation-Holiday Fund**

A. A vacation-holiday fund known as the Operating Engineers Vacation-Holiday Fund has been established by certain Contractors and the Union by an Agreement and Declaration of Trust dated the 10th day of July, 1963, and subsequently amended. The Contractors agree to abide by said Agreement and Declaration of Trust and further, to make payments to the Fund in the amount designated in Appendix "B" of this Agreement. Participation by the Contractors in said Trust shall be for the duration of this Agreement or any renewal or extension thereof.

B. The Trustees of the respective Trust Funds shall be instructed to comply with these provisions and the parties agree to make any amendments in the respective Trust Agreements necessary to accomplish the above.

ARTICLE XII **Joint Apprenticeship and Journeyman Retraining Fund**

A. A joint apprenticeship and journeyman retraining fund known as the Southern California Operating Engineers Apprenticeship and Journeyman Retraining Trust has been established by the Contractors and the Union by an Agreement and Declaration of Trust dated August 1, 1964, and subsequently amended by the parties to this Agreement. The Contractors agree to abide by said Agreement and Declaration of Trust and, further, to make contributions in the amount designated in Appendix "B" of this Agreement for each hour worked or paid each employee under this Agreement and may be increased in an amount not to exceed five cents (\$0.05) per hour at the recommendation of the Trustees of the Joint Apprenticeship and Journeyman Retraining Trust.

B. The contribution shall pay for the administration of the Joint Apprenticeship and Journeyman Retraining system and for the administration of the Fund, and shall also pay for the retraining of members in an effort to increase their skills in operating and repairing equipment. The number of Journeyman trainees shall not be increased during periods of economic action under this Agreement.

C. The Trustees of the respective Trust Funds shall be instructed to comply with these provisions and the parties agree to make any amendments in the respective trust agreement necessary to accomplish the above.

ARTICLE XIII **Supplemental Dues**

A. Subject to the following conditions, the Contractor agrees that each employee may give written authorization to the Board of Trustees of the Operating Engineers Vacation-Holiday Savings Trust, to pay to the Union from funds held by the Trustees on his behalf, the amount certified by the Business Manager of the Union as owing for each hour of the employee's employment (hours worked or paid) in each payroll period as special Supplemental Dues owed by the employee to the Union.

B. The Union shall bear the entire responsibility for obtaining the written authorization from the employee and furnishing the authorization to the Board of Trustees in a form satisfactory to the Trustees. All costs, expenses and fees of the Board of Trustees incident to the accounting, administration and remittance to the Union of the supplemental dues payments shall be borne solely and entirely by the Union. The Contractors and Union agree to amend the Agreement and Declaration of Trust of the Operating Engineers Vacation-Holiday Savings Trust for the purpose of authorizing, allocating and distributing the foregoing sums. This provision shall in no way affect the obligation of the Contractor to pay the full amount of vacation contributions specified in this Agreement.

C. All written authorizations referred to above shall be irrevocable for a period of one (1) year from the date of the execution and shall renew automatically from year to year thereafter, unless the employee has served written notice upon each of the Contractors for whom he was employed and on the Union, not more than twenty (20) days and not less than ten (10) days prior to the expiration of each period of one (1) year or of the period of this Agreement, whichever is sooner.

D. The Contractor shall deduct each month from the pay of each employee who authorizes such deduction in writing for the Union's Political Action Committee (UPAC), the amount per hour which is certified by the Business Manager and Executive Board of the Union to be the hourly rate for participation in UPAC.

E. Upon such deduction being made, it shall be remitted to the Southern California Operating Engineers Vacation-Holiday Fund for collection and for distribution to UPAC.

ARTICLE XIV **Qualifications**

A. Each of the parties hereto warrants and agrees that it is under no disability of any kind, whether arising out of the provisions of its Articles of Incorporation, Constitution, By-Laws, or otherwise, that will prevent it from fully and completely carrying out and performing each and all of the terms and conditions of this Agreement, and further, that it will not, by the adoption or amendment of any provisions of its Articles of Incorporation, Constitution or By-Laws, or by contract, or by any means whatsoever, take any action that will prevent or impede it in the full and complete performance of each and every term and condition hereof. The warranties and agreements contained in this paragraph are made by each of the signatories hereto on his own behalf and on behalf of each organization for which it is acting hereunder. The individuals signing this Agreement in their official capacity and the signatories hereto hereby guarantee and warrant their authority to act for and bind the respective parties or organization whom their signatures purport to represent and the Union on whose behalf the said parties are signing the said Agreement.

B. It is understood by the Contractors and the Union that there may be other Agreements pertaining to the rental and use of construction equipment and that the

Contractors signatory to this Agreement may also be signatory to agreements between other organizations and the Union.

1. Nothing contained in any other agreement will change the conditions as set forth in this Agreement pertaining to the use of equipment, or the working rules and classifications of employees when said equipment is owned by the Contractor and operated or used on any work on which he is the prime or subcontractor.

2. Nothing contained in this Agreement shall relieve any Contractor or Subcontractor from his contractual obligations under such other agreements as referred to in Paragraph B, except as specifically set forth in the subparagraph 1, above.

C. Except in those cases where an individual member of one of the participating Contractor Associations, on his own accord, has entered into another Agreement with the Union, this Agreement contains all of the covenant stipulations, and provisions agreed upon by the parties hereto. No agent or representative of either party has authority to make, and none of the parties shall be bound by, nor liable for any statement, representation, promise, inducement or agreement not set forth herein. Any provision in the working rules of the Union with reference to the relations between the Contractors and their employees, in conflict with the terms of this Agreement, shall be deemed to be waived and any such rules or regulations which may hereafter be adopted by the Union, shall have no application to the work covered herein.

ARTICLE XV General Savings Clause

It is not the intent of either party hereto to violate any laws or any rulings or regulations of any governmental authority or agency having jurisdiction of the subject matter of this Agreement, and the parties hereto agree that in the event any provisions of this Agreement are held or constituted to be void as being in contravention of any such laws, rulings or regulations; nevertheless, the remainder of the Agreement shall remain in full force and effect unless the parts so found to be void are wholly inseparable from the remaining portion of this Agreement.

ARTICLE XVI Working Rules

The following working rules shall govern the employment of employees performing all work covered by the terms of this Agreement.

A. Single Shift:

1. Eight (8) consecutive hours, exclusive of meal period, between 4:00 A.M. and 5:00 P.M., shall constitute a day's work. Forty (40) hours, Monday through Friday 4:00 A.M. through 5:00 P.M., shall constitute a week's work.

2. All time worked before 4:00 A.M. and after 5:00 P.M., or all time worked in excess of eight (8) consecutive hours, exclusive of meal period, and all work performed on Saturdays, Sundays and Holidays, shall be paid at the applicable overtime rate.

3. **Special Single Shift.** When the Employer produces evidence in writing to the Union of a bona fide job requirement for a public agency or a public utility which certifies that some or all of the work can only be done other than during the normal shift hours, and notifies the Union by certified mail or fax transmittal at least twenty-four (24) hours prior to the start of such special shift (except in the case of emergency), the Employer may initiate such special shift of eight (8) consecutive hours (not in conjunction with any other shift) (exclusive of meal period), Monday through Friday. Employee's straight-time rate shall be the applicable wage rate for Special Single Shift work. When special shifts are worked, the straight-time rate of all Groups shall be Four Dollars (\$4.00) per hour above the straight time rate of the classification performing the work.

B. Multiple Shifts:

1. When so elected by the Contractor, multiple shifts may be worked for three (3) or more consecutive days, provided that the Union is notified in writing twenty-four (24) hours in advance (notification can be made by fax with hard copy follow-up) of the effective date of the starting of such multiple shift operations; provided, however, that men working on multiple shifts shall not be interchangeable with those working on a single-shift basis. All employees on multiple single shifts commencing work prior to the established starting time, shall be paid at applicable overtime rate. In no event shall the regular working hours of different shifts overlap, nor shall any interval between shifts exceed the reasonable time necessary to change shifts, and in no event shall such interval exceed one (1) hour.

2. When two (2) or three (3) shifts are worked, each shift shall work seven (7) consecutive hours exclusive of meal period, for which eight (8) hours straight-time shall be paid Monday through Friday.

3. Any time worked from Friday midnight to Sunday midnight, or on holidays, or in excess of the regular shift hours, shall be paid for at the overtime rate, except as provided in Paragraph 5 of this Section B.

4. The Friday graveyard shift ending on Saturday morning, will be considered Friday work. The Saturday graveyard shift ending Sunday morning, will be considered Saturday work. The Sunday graveyard shift ending on Monday morning, will be considered Sunday work.

C. Special Shifts:

1. It is agreed that the Contractor and the Union may mutually agree, in writing, upon different starting or quitting times for any of the above mentioned shift arrangements.

D. Holidays:

The following days shall be recognized as holidays:

New Year's Day
Presidents Day
Memorial Day
Independence Day
Labor Day
Veterans' Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Day

and the first Saturday, following the first Friday, in the months of June and December each year. If any of the above holidays fall on Sunday, the Monday following shall be considered a holiday. If Christmas or New Year's Day should fall on a Saturday, the Friday preceding shall be considered a holiday.

E. Premium Pay for Holidays:

1. Work performed on the above holidays shall be paid for at the double (2) time rate of pay.

F. Reporting Time and Minimum Pay:

1. The employee will furnish the Employer with his current address and phone number. Any employee reporting for work at the regular starting time and for whom no work is provided shall receive pay for two (2) hours at the stipulated rate for so reporting unless [1] he has been notified before the end of his last preceding shift not to report, or [2] the Employer has notified the employee prior to leaving home not to report. Any employee who reports for work and for whom work is provided shall receive not less than four (4) hours' pay, and if more than four (4) hours are worked in any one (1) day, shall receive not less than six (6) hours' pay, and if more than six (6) hours are worked in any one (1) day, shall receive not less than eight (8) hours' pay.

2. Workmen referred under Article II to the Contractor's job who are not able to perform the job to which they are referred because of their own lack of qualifications or for some other reason which is the workman's own responsibility, shall not be paid show-up time.

G. Job Security:

1. Workmen and/or employees shall not sign any documents other than the W-4 Form required by the Internal Revenue Service and the I-9 Form required by the U. S. Citizenship and Immigration Services, authorization for release of Driver Record information for employees who drive company vehicles only, meal periods and rest break acknowledgement on timecards, safety training and tailgate meeting acknowledgement documents, and documents required by Fair Employment and Housing Council and Equal Employment Opportunity Commission. Under no circumstances will an employee be required to sign any other document and the Union shall not be held in violation of this Agreement.

2. Any piece of unsafe equipment shall not be operated until the unsafe condition has been eliminated by repair so that it can be operated in a safe manner.

H. Meal Periods:

1. Employees shall not work more than five (5) consecutive hours without a one-half (½) hour meal period. When employees work over five (5) hours without being provided with a one-half (½) hour meal period, they shall receive one-half (½) hour pay at the double (2) time rate. When they are required to work overtime after 6:30 P.M., they shall be allowed a one-half (½) hour meal period for every five (5) hours thereafter they are required to remain on the job. Meal periods may be staggered to meet job requirements.

I. Payment of Wages:

1. All wages shall be paid by check, cash, direct deposit and or electronic transfer, at the employee's option, on a designated weekly payday and in no event shall the Contractor withhold more than five (5) working days. Employees shall be paid prior to the ending of their regular shift. In the event an employee is not paid prior to the ending of his regular scheduled shift, due to the Employer, he shall be compensated in increments of one-half (1/2) hour at the applicable overtime rate until such time as he does receive his check or pay.

2. When men are laid off or discharged, they must be paid wages due them at the time of layoff or discharge. At such time as an employee is paid, he shall be furnished a personal record showing straight-time and overtime hours paid, and all deductions itemized for the current pay period. In the event the Employer fails to pay employees laid off or discharged, they shall be paid waiting time in accordance with state law.

3. An employee who quits shall be mailed his pay in full by Certified Mail to his last known address within seventy-two (72) hours, or be paid prior to leaving the job or project. In the event these stipulations are not met, he shall receive waiting time as noted above.

4. When employees covered under the terms of this Agreement are employed at a higher rate of pay than the minimum established herein during any shift, the higher rate of pay shall apply on all time worked during that day.

5. When an Employer intentionally fails to comply with Section I, Article III of this Agreement does not apply.

J. Sanitation, Safety and Rest Periods:

1. All approved Safety Orders of the California Division of Industrial Safety shall be observed by the Contractor and the employees.

2. The parties to this Agreement recognize Industrial Wage Order 16-2001 covering "On Site Construction, Mining, Drilling, and Logging Industries." Any dispute or grievance arising from this Wage Order shall be processed under and in accordance with Article V, Procedure for Settlement of Grievances and Disputes of this Agreement.

(a) A heat illness preventative cool-down recovery period shall be made available for employees working in high heat conditions in order to prevent heat illness in accordance with CAL OSHA requirements. Any dispute or grievance arising from this heat illness preventative recovery requirement shall be processed under and in accordance with Article V, Procedure for Settlement of Grievances and Disputes of this agreement.

(b) In accord with California Labor Code, Section 245.5 (a) (2) (B), this Agreement expressly waives the requirements of California Labor Code, Sections 245 through 249, for employees covered by this Agreement.

The parties further agree that to the full extent permitted, this Agreement shall operate to waive any provisions of any City, County or other local paid sick leave ordinance.

3. If the Employer requires it, the Contractor shall be required to furnish safety gear, including up to a Two Hundred Twenty-Five Dollar (\$225.00) annual boot allowance, fire resistant clothing (replaced at expiration), and suitable shelter to protect employees from falling materials and provide umbrellas on equipment being operated under desert heat conditions and foul weather gear if required.

(a) Employees shall be eligible for boot allowance upon their 30th day of continuous employment and annually on that date thereafter.

4. Suitable potable drinking water and adequate toilet facilities shall be furnished by the Contractor in accordance with California State Law.

5. Employees shall be given a rest period of not less than eight (8) hours between the termination of any overtime work and the commencement of another

straight-time shift, unless performing emergency work which is not considered a normal job operation.

6. If employees do not receive the required eight (8) hours rest period, they shall be paid at the applicable overtime rate for each hour worked.

7. The Unions shall cooperate with the individual Contractors and with each other in carrying out all of the individual Contractor's safety measures and practices for accident prevention, and employees shall perform their duties in each operation in such a manner as to promote efficient operations of each particular duty and of any job as a whole. The individual Contractors must post the name and address of their doctor, and the compensation insurance carrier on the jobsite or shop or yard.

(a) All Federal and State safety rules, regulations, orders and decisions shall be binding upon the individual Contractor and shall be applied to all work covered by this Agreement. No worker shall be required to work under unsafe conditions.

(b) The individual Contractors shall be solely responsible for implementation and maintenance of such safety laws, rules, regulations, standards, orders and decisions. The Union is not responsible for such implementation or maintenance.

(c) In accordance with the requirements of the Occupational Safety and Health Act of 1970, it shall be the exclusive responsibility of the Employer to ensure the safety of its employees, and compliance by them, with any safety rules contained herein or established by the Employer. Nothing in this Agreement will make the Union liable to any employees or to any other persons in the event that injury or accident occurs.

(d) Pursuant to the protections provided by the Occupational Safety and Health Act and the Labor Management Relations Act, employees may refuse to perform work which they in good faith believe will expose them or their fellow workers to serious injury or death. Such a refusal shall not constitute a violation of the no-strike clause of this Agreement, nor shall employees suffer any loss of pay or benefits as a result of their refusal to perform such work until they have received six (6) hours rest off the job or project.

K. Crews:

Crew sizes shall be determined by the individual Contractor except as outlined in Appendix "A" and below:

1. An Engineer Operator only, shall be required on a hydro-vac unit.

(a) When the above named crew requires assistance, another employee or employees covered by this Agreement, shall be used.

2. A hydro-vac crew, one (1) employee or more, in addition to operating the truck, pump and boom, may, in addition to other duties, lay out the hose and/or pipe, dismantle, clean, move and handle the hose.

3. When determined by Management that a second Operating Engineer (Apprentice, or at the option of the Management, another Operator) is necessary, one will be assigned. Under no conditions will the Employer expect the Operator to work under unsafe conditions.

(a) The Operator of the hydro-vac unit will be paid from the Employer's equipment yard or the point of origin and return to the Employer's equipment yard or the point of origin on return, unless they are relieved on the job, at the appropriate contractual rate.

(b) Where the Employer directs the second employee to report to the Employer's premises before going to work and after work, the employees pay time will start and end at the Employer's premises. Time spent traveling, with the Operator, between the Employer's premises and the job site shall be considered work time.

(c) At the "second" employee's option, when not required to report to the Employer's premises, he/she may elect to ride to and from the job site with the Operator, but it is understood that his/her work day starts and ends at the job site. When an Employer directs an employee covered by this Agreement to report to a yard or premises in excess of thirty-seven and one-half (37.5) miles from their originally dispatched yard or premises, or their home residence, they shall be compensated for those miles traveled in excess of their normal daily commute (home to their dispatched yard) at the current Internal Revenue Service recognized mileage rate. Should the distance from their home to their dispatched yard be greater, the employee is not eligible for any compensation.

(d) Irrespective of other provisions in this Agreement, the Engineer Operator travel time outside the regular eight (8) hour shift, shall be paid at time and one-half (1½) the regular wage scale set forth in Appendix "A". Travel time may be included in the regular day's pay, and shall be designated as such on the paycheck stub. Contributions are required by this Agreement on travel time.

(e) If the Engineer Operator needs assistance, another employee covered by this Agreement shall be used.

(f) In the event the Operator or Apprentice is required to travel in excess of fifty (50) miles from the Contractor's yard, he shall be paid Eighty Dollars (\$80.00) per day subsistence when the equipment in question remains on the job for further operation at the conclusion of the day.

(g) When the Contractor desires to establish a new home location, subsistence shall be computed from the old location or equipment yard for the first sixty (60) days, and then from the new location thereafter.

4. No employee shall be penalized in any respect for observing the Working Rules and By-Laws of this Local Union not in conflict with this Agreement.

5. Any Contractor signatory to this Agreement, found in violation by operating a hydro-vac unit without a second man identified with the hydro-vac unit when required, shall immediately place a call to the Operating Engineer's Dispatch Hall for the second man, who shall receive not less than eight (8) hours' pay for that day.

(a) In addition, the Contractor shall pay to the Operating Engineers Health and Welfare Fund, an amount equal to not less than sixteen (16) hours' pay at the straight-time rate of the highest classification contained in this Agreement, as compensatory damages for operating in violation of this Agreement.

L. Tools:

1. The Contractor will provide all tools.

M. Personal Vehicle:

The Contractor shall not require or permit, directly or indirectly, any employee covered by the terms of this Agreement to furnish a pick-up or other conveyance to be used for work covered by this Agreement.

1. It is the intent of the parties, that remedies fashioned under the grievance procedure (Article V) of this Agreement for violation of the provision shall include reasonable compensation for the use of the vehicle, and the Labor-Management Adjustment Board or Arbitrator shall, in addition thereto, assess monetary penalties for violations of the provision designed to discourage further violations and shall, in a subsequent case, deprive the violating Contractor of the benefits of the Union's no-strike commitment (Article III) herein and use of the grievance provisions (Article V) of this Agreement for additional violations of this paragraph.

N. Special Rules:

1. Employees shall receive not less than one-half (½) hour of pay at the appropriate overtime rate for firing up and/or starting and oiling and/or greasing or repairing of equipment or machinery when performed before or after the regular shift.

2. When equipment is operated before or after a shift, or on Saturdays, Sundays or holidays, the employee assigned to such equipment during the regular shift shall work the overtime except in case of emergency. When the overtime work is assigned to anyone other than the employee assigned to such equipment or work during the regular shift, the employee assigned during the regular shift shall be compensated at the applicable overtime rate.

3. When field repair is performed on overtime, the overtime shall be distributed equitably among the employees performing this work.

4. Employees shall travel to and from their daily initial reporting place on their own time and by means of their own transportation. Whenever free parking is not available on or within 350 (three hundred and fifty) yards of a jobsite, the Contractor shall be responsible for designating a free parking area for his employees, and that parking area shall be considered the reporting point for those employees. The Contractor shall be responsible for payment of wages from the reporting point (parking area), to the jobsite and from job-to-job and return. However, employees who voluntarily report to a point for free transportation to the jobsite will not be compensated for the time enroute and return. For off-shore work, employees will receive travel pay at straight-time rates from point of embarkation to jobsite and from jobsite to debarkation, regardless of mode of transportation.

5. The Contractor shall provide, or pay for, parking facilities for employees where free parking is not available within three (3) blocks of the job. Where payment is applicable, payment shall be made to the Operating Engineer employee who turns in a parking stub for reimbursement of actual cost. Such parking check stubs may be turned in weekly or on termination of employment, whichever occurs sooner.

6. When Operating Engineers are working with other trades or crafts, they shall be compensated on the same overtime conditions as the trade or craft they are working with.

7. Employees required to suit up and work in a hazardous material environment, as designated by the National Fire Protection Association 9 placard classifications, shall receive Five Dollars (\$5.00) per hour in addition to their regular rate of pay, and that rate of pay shall become the basic hourly rate of pay while that work is being directly performed on the customer's job site. Employees performing this work shall not be required to work alone. All OSHA and CAL OSHA Safety Standards shall apply. This premium shall apply to Levels "A" and "B" regulated work, where medical testing is required and mandated.

This premium shall also apply to Level "C" when an employee is required to get medically/physically tested for performance of duties. Should an employee elect to wear protective equipment in a Level "C" environment where it is not mandated per OSHA and CAL OSHA Safety Standards, they will not be eligible to receive a premium.

(a) Employees required to work in areas requiring the direct handling of raw sewage/waste shall receive Two Dollars (\$2.00) per hour in addition to their regular rate of pay, and that rate shall become the basic hourly rate of pay while that work is being directly performed on the customer's job site. This premium shall not be paid for the construction of a new waste water plant or when sewer lines are being installed.

To qualify for this premium, an employee must complete Bloodborne Pathogen Training and maintain their certification. Also, employees must complete the required hepatitis series of vaccines or sign a waiver of consent. Employees shall not incur any cost for qualification.

O. Foreman:

1. In the event an Employer employs a Foreman, an Operating Engineer Foreman shall be employed at the rate of not less than Two Dollars and fifty cents (\$2.50) per hour over the hourly rate of the highest paid Operating Engineer under his supervision. The additional pay shall be added to the regular rate and become the base rate for the entire shift. He shall not operate equipment except in an emergency or when the regular operator is temporarily absent.

2. When less than seven (7) employees are working and the Employer assigns supervisory authority to one of the employees, he may be required to work at the trade but will be paid at the Foreman's rate.

P. Subsistence:

1. In the subsistence area as hereafter defined as Southern California Exhibit "A" and San Diego County Exhibit "A", subject to the exceptions noted below, subsistence shall be paid at the rate of Eighty Dollars (\$80.00) per scheduled workday. There shall be no prorating of subsistence. Subsistence shall apply to workmen and/or employees who report to work and for whom no work is provided.

2. If the Employer furnishes the employees a suitable room, the employee shall receive Fifty Dollars (\$50.00) per day subsistence allowance.

(a) Effective on all work bid after September 1, 2025, the areas inside the boundaries of China Lake Naval Reserve, Vandenberg Air Force Base, Point Arguello, Seely Naval Base, Fort Irwin Army Base, Nebo Annex Marine Base, Marine Corp Logistics Base Yermo, Edwards Air Force Base, 29 Palms Marine Base and Marine Corps Base Camp Pendleton, Zone Pay as hereinafter defined in Southern California Exhibit "A" and San Diego County "Exhibit A" shall apply for which the hourly rate of pay will be Ten Dollars (\$10.00) per hour above the regular rate and shall become the base rate for the entire shift.

(b) Zone pay is hereafter established effective September 1, 2019, and defined as "Exhibit B" subject to the exceptions noted below, zone pay shall be paid at the rate of Two Dollars (\$2.00) per hour above the regular rate of pay and shall become the base rate for the entire shift. This zone pay area is located in the northern portion of "Exhibit B" delineated by the color blue.

Those areas defined in "Exhibit B" by the color yellow shall be One Dollar (\$1.00) per hour above their regular rate of pay and shall become their base rate for the entire shift.

3. An employee or workman who is required to report to work in a subsistence area for any portion of the days or shift shall receive the established subsistence rate for the entire day or shift.

4. Exception to the above requirements may be taken and no subsistence furnished or paid in the following instances:

(a) Where the work performed on the job or project is located entirely within the free zone designated in Exhibit "A" for both Southern California and San Diego County.

(b) When the home of an employee at the time a job is bid or commitment made on non-bid jobs is located within the subsistence area and within a forty-five (45) mile radius of the center of the job or project which is also located in the subsistence area.

(c) Where subsistence is applicable, when the Contractor advises the employee that the project will be discontinued for a period of two (2) days, he shall give the employee the opportunity to return to his home and subsistence shall not be applicable for these days. If such notice is not given to the employees, subsistence shall be payable for days that work is discontinued.

5. Subsistence shall be paid at the rate of Eighty-Two Dollars (\$82.00) per day in the counties of Inyo and Mono.

6. If the Employer furnishes the employees a suitable room, the employee shall receive Fifty Dollars (\$50.00) per day subsistence allowance in the counties of Inyo and Mono.

7. When the home of an employee at the time a job is bid or commitment made on non-bid jobs is located within a fifty (50) mile radius of the center of a job or project in Inyo and Mono Counties, subsistence will not be applicable.

8. Subsistence as provided in Section P, Paragraph 1 hereof, shall be paid on jobs on the following off-shore islands:

Richardson Rock
Santa Cruz Island
Arch Rock
San Nicolas Island
Santa Catalina Island
San Miguel Island
Santa Barbara Island
San Clemente Island
Santa Rosa Island
Anacapa Island
(Channel Islands Monument)

9. In the event campsites are established on off-shore islands, in lieu of subsistence, they shall be maintained and operated inclusive of all the stipulations set forth below. Employees reporting at the embarkation point for travel to the above named

islands shall be paid travel time from the mainland to the island and return at the straight-time rate and in no event shall the travel time be less than one (1) hour, regardless of mode of travel. Travel time shall start and end at the point of embarkation, at the time and place designated by the Employer.

10. The Contractor may provide and maintain acceptable room and board, seven (7) days per week, in compliance with California State Laws, in lieu of subsistence.

11. In the event a campsite is established, employees shall receive travel time from the campsite to the jobsite, and back to the campsite, at the straight-time rate of pay.

12. Employees shall not be transported to and from the campsite or jobsite unless the transporting vehicle meets all safety requirements and stipulations as set forth in the California Vehicle Code for the transportation of workmen.

13. Payments of subsistence shall be identified, reflecting the number of calendar days of subsistence.

Q. Call-Out:

At the discretion of the Company and based on customer requirements and/or requests, a call-out rotation may be periodically implemented to ensure that the Company is positioned to meet unscheduled customer needs within a specific Union district. On-call employees are expected to remain ready and available for call-out work required on Saturdays and Sundays for the weekends which they are on call.

The Company will maintain a list that will be utilized to canvass employees regarding their desire to be on-call for unscheduled weekend work. In the event that no one volunteers, the lowest tenured, fully qualified operator will be placed on call. Under no circumstances will the same operator be mandated to be on-call for consecutive weekends or consecutive holidays, should there be no volunteers, the fully qualified operator hired prior to the most recent will be mandated to be on call. The on-call operator will not be permitted to volunteer for pre-scheduled weekend overtime on the weekend that they are the operator on-call.

The on-call time-period will commence at 12:01 A.M. Saturday and be in effect through 12:00 P.M. Sunday. The on-call employee will receive an "on-call stipend" of Three Hundred Dollars (\$300.00) per day, for each day which they are on call. Should the on-call employee be called out to perform work, they will then be compensated at the appropriate overtime rate for all work performed. Failure of the on-call operator to respond and report for a work assignment will result in appropriate disciplinary action.

R. Miscellaneous Provisions:

1. In the event that the Employer willfully violates the provisions of the foregoing Articles or willfully violates any provisions elsewhere in this Agreement

relating to wages, hours of work, overtime differentials, any back pay owed to the employee because of such violations shall be paid by the Employer at the rate of two (2) times the standard straight-time and overtime rates in order to compensate the employee for the inconvenience and lost use of the monies that the employee suffered. Reasonable evidence of clerical error or honest mistake in interpretation of this Agreement shall exempt the Employer from the double payment provision and in such case, the Employer shall be required to pay only the actual amount of back pay involved at the standard straight-time and overtime rates.

2. Either party to this Agreement shall have the right to reopen negotiations pertaining to Union Recognition and Hiring Procedures by giving the other party thirty (30) days written notice when the laws pertaining thereto have changed by Congressional Amendments or State or Federal Government regulations.

3. Any item in this Agreement may be renegotiated upon the mutual consent of both parties.

4. All employees of the Contractor, having moved from one job to another with their Employer, shall be deemed to be regular employees.

5. Overtime:

First four (4) hours outside the regularly constituted shift shall be at the rate of time and one-half (1½). All additional hours shall be at double (2) time. On Saturday work, the first twelve (12) hours shall be at time and one-half (1½), and all additional hours at double (2) time. Sundays shall be double (2) time, holidays shall be double (2) time.

6. Administrative Trust:

(a) Should the Trustees of the existing fringe benefits Trust approved and recommend to the parties to this Agreement that an Administrative Trust be established, the parties to this Agreement shall then establish a new trust entity to be known as the Operating Engineers Administrative Trust. This will require the drafting and execution of a formal, written Agreement and Declaration of Trust.

(b) The Operating Engineers Administrative Trust shall be a labor management trust conforming to all of the requirements of Section 302, (c) (5) of the Taft-Hartley Act and shall be established for the exclusive purpose of providing for and paying for the expenses of all administrative services (equipment, supplies, personnel, etc.) of the existing fringe benefit trusts, including its own administrative expenses. The Administrative Trust shall have no authority with respect to the affairs and operation of the four (4) other fringe benefits trusts, its sole function being expressly restricted to the providing for, and paying of the administrative expenses relating to the four (4) other trusts. The Administrative Trust shall have no authority with respect to the selection of professional personnel or other staff of the four (4) other trusts.

(c) The Operating Engineers Administrative Trust shall be administered by a Board of Trustees consisting of sixteen (16) persons, eight (8) of whom shall be Employer Trustees and eight (8) of whom shall be Union Trustees. Each of the four (4) existing fringe benefit trusts shall have the power to appoint two (2) Employer Trustees and two (2) Union Trustees to serve on the sixteen man Board of Trustees of the Administrative Trust. Each Trust shall determine the manner of selecting the Trustees to the Administrative Trust. Except for the payment of administrative expenses, by the Administrative Trust, the four (4) other fringe benefit trusts shall continue to operate in the same manner as they have in the past.

(d) Contributions to the Administrative Trust shall come from increases already negotiated between the Union and the Contractors. The amount of the contribution necessary to fund the Administrative Trust shall be recommended by the Trustees of the Administrative Trust to the parties to the collective bargaining agreement.

(e) The Contractors and the Union further agree to be bound by the minimum wage rates and classifications outlined in Appendix "A" attached hereto.

ARTICLE XVII **Engineers Contract Compliance Committee** **(ECCC)**

A. Effective September 1, 2025, the Contractors shall pay in accordance with Appendix "B" for all hours worked or paid to the Engineers Contract Compliance Committee (ECCC). The ECCC shall be established by the Union in accordance with Section 6(b) of the Labor Management Cooperation Act of 1978, and shall be composed of one (1) contractor representative from each of the contractor associations (4), and four (4) representatives from Local 12. The purpose of the ECCC shall be to improve job security and organizational effectiveness, and involve workers in decisions affecting their jobs.

B. The Contractors shall be bound by the Declaration of Trust of the ECCC, and all amendments. Therefore, the parties agree to establish a Joint Labor Management Cooperative Committee (Committee) for promoting job security of employees working under the Agreement, and for enhancing economic development of the Contractors. Among the methods the Committee shall use to attain these objectives shall be enforcement of the obligation of non-signatory contractors and employers to abide by federal and state prevailing wage laws, or other government agency laws.

C. The parties shall either establish a new trust fund or participate in an existing trust fund which has these objectives. There shall be equal representation of labor and management representative on the trust fund, which shall have an executive committee of one (1) labor and one (1) management representative, along with an administrative staff to conduct the Committee's day-to-day affairs.

D. The parties agree that the monies collected shall be deposited in an interest bearing account until the plan becomes operational, however, during the interim period the parties to the Agreement may place someone in the employment of the plan to assist in formulating and establishing the program.

ARTICLE XVIII **Fund for Construction Industry Advancement**

A. The parties to this Agreement recognize that to protect and expand the interests of the Construction Industry, to be aware of modes and methods of improving the efficiency of the industry and to protect the industry from harmful legislation whose impact is detrimental to both the employees and the Contractors and without regard to whether such employees are employed by members of the Contractors, the individual Employer will contribute the amount designated in Appendix "B" of this Agreement per hour for all hours worked or paid for by all employees employed under the terms of this Agreement to the Fund for Construction Industry Advancement, an Employer established and administered Trust formed and created for this purpose and the individual Employer hereby adopts and agrees to be bound by the terms of that certain Trust Agreement establishing the Fund for Construction Industry Advancement, and further agrees to observe and be bound by the actions and determinations of the Board of Trustees of said Trust.

B. It is understood that independent of any other provisions contained in this Agreement which provided for its termination, the Contractors shall have the right and power to cancel unilaterally the provisions, solely of this Article at any time by delivering notice to the Unions-in writing to that effect.

ARTICLE XIX **Contract Administrative Fund**

A. For the purpose of protecting and promoting the interests and welfare of the construction industry, its individual employers and employees, the parties hereto have established a Contract Administration Fund. The employers shall pay into the Contract Administration Fund the sum listed in Appendix "B" for all hours worked by employees pursuant to the terms of this Agreement.

B. At any time during the term of this Agreement, the employers may, within thirty (30) days' written notice to the Union, increase the contribution to the Contract Administration Fund to a maximum of the amount designated in Appendix "B" of this Agreement per hour for each hour paid.

C. At any time during the term of this Agreement, the Southern California Contractors Association, Inc. may at its option, with thirty (30) days' written notice to the Union, elect to have the amount designated in Appendix "B" of this Agreement per hour for each hour paid by the Southern California Contractors Association, Inc., signatory association members remitted to the Southern California Contractors Association, Inc. Promotion Fund. Any other person, firm, limited liability company or corporation signatory

to any short form contract or other agreement may also elect to remit the amount designated in Appendix "B" of this Agreement per hour, to the Southern California Contractors Association, Inc. Promotion Fund.

D. The contractors shall have the right to allocate an additional two cents (\$0.02) per hour during the life of the Agreement to the Contract Administration Fund contribution.

ARTICLE XX **Term and Termination**

This Agreement shall be effective as of the first day of September, 2025, and remain in effect until August 31, 2028, and shall continue from year to year thereafter unless either of the collective bargaining representatives shall give written notice to the other of a desire to change, amend, modify or terminate the Agreement at least sixty (60) days' prior to August 31, 2028, or of September 1st of any succeeding year. Notice to the Union shall be sent Certified Mail Return Receipt Requested, to the attention of the Business Manager and effective only upon receipt at the Union's main office at 150 Corson Street, Pasadena, California 91103. In the event no agreement is reached between the parties and a strike or a lockout occurs, the parties will continue to negotiate with each other until an agreement is reached.

APPENDIX A
Classifications and Wage Rates

<u>CLASSIFICATIONS</u>	<u>WAGE RATES AND EFFECTIVE DATES</u>			
	<u>9-01-24</u>	<u>9-01-25</u>	<u>9-01-26</u>	<u>9-01-27</u>
*MLA	*MLA	*MLA	*MLA	
SCCA	SCCA	SCCA	SCCA	
CONST.	CONST.	CONST.	CONST.	
(*\$6.00)	(*\$5.00)	(*\$4.50)		
Group 1	\$57.55	\$62.55		
Swamper/Helper				
Group 2	\$60.71	\$65.71		
Air-Vac Operator				
Combo Sewer Flusher Operator				
(Vactor Truck or similar types)				
Hydro-Vac Operator				
**Group 3	-----	\$66.21		
Heavy Duty Repairman				

*The Union may elect at its option, upon at least sixty (60) days' written notice to allocate the increase indicated to: (1) Hourly Wage Rates, (2) Health and Welfare, (3) Pension, (4) Vacation-Holiday and/or Supplemental Dues, (5) Joint Apprenticeship and Journeyman Retraining Fund, (6) Engineers Contract Compliance Committee and (7) Defined Contribution Plan (Annuity).

**The Group 3 wage rate shall be fifty cents (\$0.50) above the Group 2 wage rate.

APPRENTICE WAGE RATES

Based on the Journeyman scale of Group II per hour

0-1000	hours -	Step I	@60%
1000-2000	hours -	Step II	@65%
2000-3000	hours -	Step III	@70%
3000-4000	hours -	Step IV	@75%
4000-5000	hours -	Step V	@80%
5000-6000	hours -	Step VI	@90%

All shift pay or premiums entitled to be paid under the terms of this Agreement shall be paid in full and added to the Apprentice Base Wage Rate, for all hours worked or paid.

At no time shall the above apprentice wage rates exceed any of the Journeyman Group Rates of this Agreement.

APPENDIX B
Contributions Payable to Trust Funds

	<u>EFFECTIVE DATES</u>				
	<u>9-01-24</u>	<u>9-01-25</u>	<u>1-01-26</u>	<u>9-01-26</u>	<u>9-01-27</u>
Health and Welfare Plan (Article VIII)	\$13.20	\$14.20	\$15.20		
Pension Trust (Article IX)	\$10.65	\$10.65	\$10.65		
Defined Contribution Plan (Annuity) (Article X)	\$5.25	\$5.25	\$5.25		
Vacation-Holiday Fund (\$2.30 <i>effective 9/01/25</i> , \$1.30 <i>effective 1/01/26</i>) & Supplemental Dues (\$1.70) (Article XI & Article XIII)	\$4.00	\$4.00	\$3.00		
Joint Apprenticeship Trust & Journeyman Retraining Fund (Article XII)	\$1.10	\$1.10	\$1.10		
Engineers Contract Compliance Committee - (ECCC) (Article XVII)	\$0.15	\$0.15	\$0.15		
Industry Fund (Article XVIII)	\$0.08	\$0.08	\$0.08		
Contract Administrative Fund (Article XIX)	\$0.06	\$0.06	\$0.06		

The above contributions will be made on the basis of straight-time or overtime hours worked or paid each employee under the terms of this Agreement.

It is agreed between the parties of this Agreement that the membership of Local No. 12 shall have the authority to allocate any portion of the negotiated wage increase to improve Pension benefits.

This page revised in December 2025 to reflect 1/01/26 Reallocation

APPENDIX C

Drug Testing

See Memorandum of Understanding for Drug Abuse Prevention and Detection.

APPENDIX D

Oil Field Work

The Employer and the International Union of Operating Engineers, Local Union No. 12 agree to a Ninety Percent (90%) wage as established in the Southern California Contractors Association, Inc. Master Labor Agreement for Construction and One Hundred Percent (100%) full fringes in the oil fields of Kern and Mono Counties only. Notification shall be sent to the Union's district office via email, fax or certified mail of the job/project location and duration. This rate is for private work only and does not apply to any Prevailing Wage or Project Labor Agreement work.

Signature page of the Master Labor Agreement between the Southern California Contractors Association, Inc. and the International Union of Operating Engineers, Local Union No. 12, that became effective on the 1st of September, 2025.

SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION, INC.


John Cooper, Director

John Cooper, Director of Labor Relations

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL UNION NO. 12**

I John

David K. Sikorski, Business Manager

Street Address

David Garbarino, President

Ken Hunt, Vice President

Mailing Address

Shawn Kinsey, Recording-Corres. Secretary

Area

Telephone No

Perry Hawkins III, Financial Secretary

Robert J. Ninteman, Treasurer

SIDE LETTER OF AGREEMENT
Grievance Procedure for Statutory Disputes

between
THE INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL UNION NO. 12

and
SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION, INC.
(Master Labor Agreement for Hydro-Vac Services Work)

The Parties to this Agreement recognize that the Supreme Court of the United States has consistently held for over fifty years that federal law and policy favors the use and finality of arbitration procedures established through collective bargaining agreements to resolve all nature of disputes affecting the employee-employer relationship.

As the designated representative of employees, the Union contracts regarding the specific terms and conditions of employment as well as the enforcement mechanism to ensure those conditions are met, which mechanisms include grievance arbitration. These terms, conditions and enforcement mechanisms are generally superior to those available to employees not covered by collective bargaining agreements. Grievance arbitration provision in a collective bargaining agreement is reflected in national labor laws and is premised on the federal policy to promote industrial stabilization through the collective bargaining agreement. "A major factor in achieving industrial peace is the inclusion of a provision for arbitration of grievances in the collective bargaining agreement." United Steelworkers of America v. Warrior & Gulf Nav. Co., 363 U.S. 574, 577-78, 80 S. Ct. 1347, 1350, 4 L. Ed. 2d 1409 (1960). D.R. Horton, Inc. v. N.L.R.B., 737 F. 3d 344, 361 (5th Cir. 2013) ("[W]e discern[] in the structure of the [National Labor Relations Act] the very specific right of employees to complete the collective bargaining process and agree to an arbitration clause." Citing, Blessing v. Freestone, 520 U.S. 329, 343, 117 S. Ct. 1353, 137 L.Ed.2d 569 (1997) (internal quotation marks and citation omitted)).

The Parties to this Agreement recognize that the National Labor Relations Board has held that the pursuit of collective or class action claims is concerted action but that a union may waive certain rights to concerted action in a collective bargaining agreement. In doing so, the National Labor Relations Board recognized that a collectively bargained arbitration clause stems from the exercise of rights to act in concert and that "[F]or purposes of examining whether a waiver of Section 7 rights is unlawful, an arbitration clause freely and collectively bargained between a union and an employer does not stand on the same footing as an employment policy...imposed on individual employees by the employer as a condition of employment." D.R. Horton Inc., 357 NLRB No. 184 (January 3, 2012).

The Parties to this Agreement recognize that arbitration pursuant to the grievance procedure affords numerous benefits including expedited resolution of disputes; reduced cost and expense as compared to litigation; potentially greater monetary relief to individual employees; benefit of the arbitrator's knowledge and expertise with the bargaining parties,

the employment relationships governed by the Collective Bargaining Agreement, and the practices of the construction industry; less restrictive rules of evidence; and less formal procedures. The Parties also recognize that class and representative action procedures are designed to afford a mechanism of relief for claims for which the costs of litigation are disproportionate to the available relief and that this grievance procedure addresses the same concerns by providing an expedited mechanism at reduced cost to address such claims without the need for class or representative action procedures. It is therefore the intent of the parties that this grievance procedure provides a mechanism for resolving the individual claims covered herein which balances expedited and complete relief to employees for violations with avoidance of unnecessary costs and disproportionate remedies associated with class and representative actions.

A. Arbitration of Employment Related Claims:

As referenced in Article V and Article XVI, Sec. J. Subparagraph 2, the following disputes, complaints or grievances (Contractual Disputes) shall be processed through the Procedure for Settlement of Grievances and Disputes in Article V, and the Union shall retain sole and exclusive ability to bring them to arbitration pursuant to Article V: (1) allegations of violations of the Master Labor Agreement, and (2) violations of, or arising under, Industrial Welfare Commission Wage Order 16 ("Wage Order 16") by operation of Wage Order 16 and its exemptions applicable to employees covered by certain collective bargaining agreements.

In addition to Contractual Disputes that may be brought by the Union as described above, all employee claims or disputes concerning violations of, or arising under Wage Order 16 (except as noted in the immediately preceding paragraph), the California Labor Code Sections identified in California Labor Code section 2699.5 as amended, the California Private Attorneys General Act (Part 13 of Division 2 of the California Labor Code), all derivative claims under Cal. Bus. & Professions Code section 17200, et seq., all associated penalties, and federal, state and local law concerning wage-hour requirements, wage payment and meal or rest periods, including claims arising under the Fair Labor Standards Act (hereinafter "Statutory Dispute" or "Statutory Disputes") shall be subject to and must be processed by the employee pursuant to the procedures set forth in this Side Letter of Agreement as the sole and exclusive remedy. To ensure disputes are subject to this grievance procedure in accordance with the intended scope of coverage set forth herein, Statutory Disputes also include any contract, tort or common law claim concerning the matters addressed in the foregoing laws (other than claims of violation of the Master Labor Agreement that are deemed Contractual Disputes). This Side Letter of Agreement shall not apply to claims before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing, and the California Division of Workers' Compensation.

Pursuant to California Labor Code Section 2699.6, the Parties hereby expressly and unambiguously waive the provisions of the California Private Attorneys General Act (PAGA), Labor Code Section 2698, et seq., and agree that none of the provisions of that statute apply to any of the employees covered by the Collective Bargaining Agreement between the undersigned Parties (the "Agreement"). The parties further agree that this Agreement prohibits any and all violations of the California Labor Code sections identified

in Labor Code §§ 2699.5 and 2699(f) as well as any others that would be redressable to PAGA, and that such claims shall be resolved exclusively through the Grievance-Arbitration procedure contained in this Agreement and shall not be brought in a court of law or before any administrative agency such as the California Labor Commissioner. This Agreement shall apply to any representative PAGA claims and class claims that arise during the term of the parties' current Collective Bargaining Agreement, regardless of when they were filed with any court or administrative agency. An arbitrator presiding over an arbitration conducted pursuant to the Grievance/Arbitration Procedure shall have the authority to make an award of any and all remedies otherwise available under the California Labor Code, except for an award of penalties that would be payable to the Labor and Workforce Development Agency.

B. Procedure for Arbitration of Disputes:

No Statutory Dispute subject to this Side Letter of Agreement shall be recognized unless called to the attention of and, in the event it is not resolved, confirmed in writing by the individual employee to the individual Contractor and the Union within the later of (i) the time set forth in the Procedure for Settlement of Grievance and Disputes in Article V or (ii) the time provided for under applicable statute.

Grievances and arbitrations of all Statutory Disputes shall be brought by the individual employee in an individual capacity only and not as a grievant or class member in any purported class or representative grievance or arbitration proceeding. The Arbitrator shall have the authority to consolidate individual grievances for hearing, but shall not have the authority to fashion a proceeding as a class or collective action or to award relief to a group or class of employees in one grievance or arbitration proceeding.

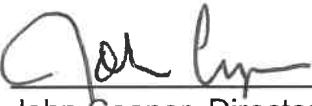
If the individual employee dispute is a Statutory Dispute subject to this Side Letter of Agreement, the grievance shall not be heard by the Joint Adjustment Board but shall proceed directly to an independent Arbitrator. In such cases, the procedures for selection of an Arbitrator contained in Article V shall not apply; instead, the individual employee and the Contractor shall proceed to arbitration pursuant and subject to the American Arbitration Association Rules for Employment Disputes. Unless the parties agree otherwise, they shall request that only lawyers and retired judges be included on all panels of arbitrators offered to the parties. The Contractor shall pay all fees and costs related to the services of the American Arbitration Association and the services of the Arbitrator; however, the Arbitrator may reallocate such fees and costs in the arbitration award, giving due consideration to the individual employee's ability to pay. Each party shall pay for its own costs, expenses, and attorneys' fees, if any. However, if any party prevails on a statutory claim which affords the prevailing party costs or attorneys' fees, or if there is a written agreement providing for an award of costs or attorneys' fees, the Arbitrator may award costs and reasonable attorneys' fees to the prevailing party. Any issue regarding the payment of fees or costs, and any disputes about the manner of proceeding shall be decided by the Arbitrator selected. The Union shall not be a party to such and shall bear no costs or fees of the arbitration.

The Arbitrator shall have full authority to fashion such remedies and award relief consistent with limitations under federal and state law, and precedent established

thereunder, whether by way of damages or the award of attorneys' fees and other costs, orders to cease and desist, or any and all other reasonable remedies designed to correct any violation which the Arbitrator may have found to have existed, including such remedies as provided under applicable state or federal law or regulation. Notwithstanding the foregoing, the Arbitrator shall not have the authority to award penalties payable to the Labor and Workforce Development Agency pursuant to the Private Attorneys General Act (Part 13 of Division 2 of the California Labor Code). The decision of the Arbitrator is final and binding upon the parties and is enforceable in a court of competent jurisdiction.

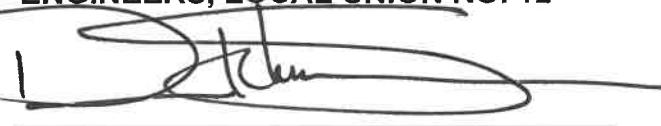
The Arbitrator shall not have any authority to award relief that would require amendment of the Master Labor Agreement or other Agreement(s) between the Union and a Contractor or the Contractors, or which conflicts with any provision of any Collective Bargaining Agreement or such other Agreement(s). Any arbitration outcome shall have no precedential value with respect to the interpretation of the Master Labor Agreement or other Agreement(s) between the Union and a Contractor or the Contractors.

This Side Letter of Agreement is hereby agreed this 22 day of
Sept, 2025.


**SOUTHERN CALIFORNIA
CONTRACTORS ASSOCIATION, INC.**

John Cooper, Director of Labor
Relations

Date: 9/18/25


**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL UNION NO. 12**

David K. Sikorski, Business Manager

Date: 9-22-25

MEMORANDUM OF UNDERSTANDING
between
THE INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL UNION NO. 12

and
SOUTHERN CALIFORNIA CONTRACTORS ASSOCIATION, INC.
(Master Labor Agreement for Hydro-Vac Services Work)

This Memorandum of Understanding ("MOU") is entered into this 1st day of September, 2025, by and between the Southern California Contractors Association, Inc. (Master Labor Agreement for Hydro-Vac Services Work) hereinafter referred to as the EMPLOYERS, and the International Union of Operating Engineers, Local Union No. 12, affiliated with the Building and Construction Trades Department of the AFL-CIO, hereinafter referred to as the UNION.

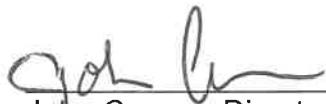
The parties agree as follows:

- 1. Modification of MLA.** This MOU modifies and supplements the Master Labor Agreement for Hydro-Vac Services Work between the Employers and the Union dated September 1, 2025, to August 31, 2028 (the "MLA").
- 2. Camera Locations.** Cameras may be stationed only on road-going vehicles (equipped and intended for use on public roads), including externally on the exterior body of the vehicle and internally within the driver's cab area of the vehicle.
- 3. Video Recording.** All cameras may be used during vehicle operation.
- 4. Audio Recording.** External and internal cameras shall not capture and record audio data in any manner.
- 5. Permissible Use of Data Collected by Cameras.** The Employer's use of data collected by cameras shall be in accordance with the terms of this paragraph.
 - a. Post-Incident.** All data collected by cameras may be used following a traffic incident where data is relevant to determine cause or fault in an incident and to defend against actual or potential liability claims.
 - b. Discipline.** Except in cases of vehicle-related incidents, Employers shall not use data collected under this MOU to initiate discipline.
- 6. Union Access.** Upon request by the Union, Employers shall provide a Union representative with copies of the collected data in accordance with the rights afforded labor organizations under the National Labor Relations Act.
- 7. Data Retention.** Employers shall determine the retention period for any data collected under this MOU. However, if such data is or will be used to discipline, including to corroborate or confirm misconduct discovered through other means, then such data must be retained until final resolution of the disciplinary proceeding up to and including all stages of Arbitration.

8. **Disputes.** Any dispute under this MOU shall be processed in accordance with the grievance and arbitration process set forth in the MLA.

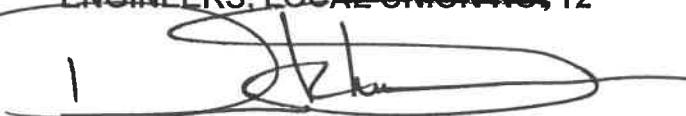
IT IS HEREBY CONSENTED AND AGREED:

**SOUTHERN CALIFORNIA
CONTRACTORS ASSOCIATION, INC.**



John Cooper, Director of Labor Relations

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL UNION NO. 12**



David K. Sikorski, Business Manager



Date: 9/18/25

Date: 9-17-25