

4677 Overland Avenue, San Diego, CA 92123

News Release

Ed Joyce (949) 276-1675 cell Ejoyce@sdcwa.org

Water Authority Board Approves Landmark Project Labor Agreement

PLA to provide community benefits and flexibility for small businesses

Oct. 27, 2022 – The San Diego County Water Authority's Board of Directors on Thursday approved a Project Labor Agreement to govern most of the agency's future construction contracts, ensuring projects deliver a range of community and worker benefits while continuing to be built to the highest standards.

By setting the bar for the Board to consider PLAs at \$1 million, the Board embraced a strategy designed to foster a well-trained local workforce; enhance the Water Authority's ability to compete for state and federal construction grants; prevent work stoppages and similar disruptions; and expedite resolution of contractor/labor disputes.

A PLA is a collective bargaining

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Mel Katz, Board Chair
San Diego County Water Authority

agreement that spells out specific terms and conditions that govern labor issues for given projects. Under the PLA, all contractors are eligible to compete on projects. Those who are the successful bidders follow certain requirements, including hiring locally. The PLA also promotes hiring skilled, reliable workers, while helping to ensure projects are completed safely, on-time and within budget.

"The Project Labor Agreement will support working families in our region by fostering a welltrained workforce and promoting water rate affordability by positioning the region to compete for state and federal funding," said Board Chair Mel Katz. "My gratitude goes to the work group and the leadership of Nick Serrano. That group embraced the charge to ensure that future projects will be built by San Diegans for San Diegans."

Board Vice Chair Nick Serrano added: "The PLA demonstrates the Water Authority's commitment to our region, not only in terms of delivering critical water projects in-time and onbudget, but also to the workers and working families in our service areas. This amounts to more than \$450 million in good-paying, local jobs and the positive benefits will ripple through the community."

The PLA features significant provisions designed to foster opportunities and economic benefits across the San Diego region that support greater diversity, equity and inclusion. They include:

- A goal for 60% of all construction craft hours for each covered project to be done by local workers (defined as workers living in the Water Authority's service area or veterans residing anywhere)
- A goal for 15% of all construction craft hours for each covered project to be done by "targeted" workers (defined as workers who are veterans, or who belong to one or more specific groups detailed in the PLA)
- A "Construction Careers Pipeline Program" where contractors and unions would work to encourage participants in local job training programs to get opportunities to work on Water Authority projects
- Eligibility for participants in all state and federally approved apprenticeship programs
- Agreement to use the Center for Military Recruitment, Assessment and Veterans Employment's "Helmets to Hardhats" program as a resource to help attract more veterans to work on covered projects
- Small business support in the form of outreach and training, additional core employees, and employee benefit contribution exemption

The PLA has a five-year term and will include 25 Capital Improvement Program construction projects of \$1 million or more that are scheduled to start between early 2023 and 2027. Their collective value of almost \$500 million. The PLA will take effect 120 days after Board approval and signature by the San Diego Building Trades Council.

The Water Authority had a PLA for the Emergency Storage & Carryover Project, which included landmark projects such as building Olivenhain Dam and raising San Vicente Dam. That PLA took effect in 1999 and covered more than a dozen major construction projects collectively worth approximately \$1.5 billion. The PLA ended 2017, in accordance with its terms and after covered projects were completed.

For more information about the Water Authority's Capital Improvement Program go to: <u>www.sdcwa.org/projects-programs/projects/</u>.

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The San Diego County Water Authority sustains a \$240 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 24 retail water providers, including cities, special districts and a military base.

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