



February 17, 2026

Members of the California Water Commission
[Sent via email]

Dear Commissioners,

The North Coast States Carpenters Union (“NCSCU”) has previously shared its opinion with California water project stakeholders about the award of the **Construction Manager at Risk (“CMAR”) for the Sites Reservoir project to Barnard Construction Co., Inc. (“Barnard”)**. Barnard has inferior California CMAR experience and capacity, as well as weak relationships with northern California local construction trades union members, hiring halls and training centers compared to other firms that proposed to be the Reservoir project CMAR, we believe.

Now a draft/red-lined Sites Reservoir Project Labor Agreement (“PLA”) reviewed by the NCSCU suggests that **Barnard wants to keep wage and benefit rates frozen at 2026-2027 levels for hundreds of directly employed craft workers over the seven-plus year duration of Reservoir project construction, degrade California “skilled and trained workforce” standards, and – as we predicted – employ numerous out-of-state construction craft workers instead of California workers.**

The Sites Reservoir & Conveyance projects involve millions of construction craft work hours and an estimated \$6 billion dollars. Success depends on cost containment and the project being put in-service on a timely basis. Furthermore, success includes the delivery of community benefits, including through employment of Californians from the local area.

The NCSCU respectfully asks Commissioners to direct staff of the CWC to investigate and report on options for initiating an **external audit of the Sites Project Authority’s CMAR contract file**, as envisioned in Public Contract Code section 20928.2(g)(6). The purpose of such an audit would be to confirm the Sites Project Authority’s stated basis for awarding the CMAR contract to Barnard.

Please be advised: **A Sites Reservoir PLA will not cover all scopes of Reservoir construction craft work.** The NCSCU has not, nor will it, delegate its negotiating authority over employment terms and conditions for its members to any third party, including the State Construction and Building Trades Council, and does not intend to execute a PLA that has been negotiated from the outset by third parties. Any contractor that is signatory to a Carpenters MLA may not unilaterally abrogate our Master Labor Agreements’ (“MLAs”) terms and conditions by signing a PLA “letter of assent.”

The NCSU reserves the right to protest any degradation of northern California standards for carpenters' wages, fringe benefits, and/or training. The NCSCU has no intention of undermining its members' rights, as regulated by Carpenters Union MLAs or by law, to exercise free speech, engage in lawful strikes and picketing, with respect to Sites Reservoir and its contractors.

The rest of this letter substantiates the above points.

1. PLA Language Enables Barnard to Exploit Wage & Benefit Rates Frozen at 2027-2029 Rates

Prevailing wage determinations and Collective Bargaining Agreements: State prevailing wage determinations, by statute tied to the most frequently paid wage & fringe benefit rates by craft and area, typically are based on rates set in MLAs. The Director of the Department of Industrial Relations "predetermines" rates for public work contractors through the term of the existing, applicable MLA.

Under current law, any project for which a "notice to bidders" is issued before July 2026 will have prevailing wage rates frozen at the levels in effect during the last year of the current MLAs' terms. Laborers and Carpenters in northern California, for example, both have MLAs with that expire June 30, 2027. Cement Masons' MLA expires in 2028. Operating Engineers' MLA expires in 2029.

Most Sites Reservoir construction work will take place after the expiration dates of current CBAs.

The Draft/Red-lined PLA suggests Barnard wants to freeze non-signatory Contractors' wage requirements

The Sites Project Authority has required the CMAR to self-perform a substantial portion of the Reservoir project work. Barnard will therefore directly employ hundreds of craft workers.

The Draft/Red-lined PLA that the NCSCU reviewed contained a clause that would have required all contractors to pay workers either the applicable prevailing wage or wage and fringe benefit rates set forth in the appropriate MLA. That clause was struck out in the draft PLA we reviewed. We assume that Barnard was the PLA negotiating party that struck out that clause.

Barnard would have been indifferent to the clause if it were "directly signatory" to one or more MLA, as other Sites CMAR candidates are. Like Kiewit or Flatiron-Dragados, Barnard would have been bound to pay workers the wage increases in years beyond 2027 that come with a renewed MLA's extended term.

Barnard's commitment to not be directly signatory to any unions' MLAs means that Barnard, under the terms of this draft PLA, would be free to pay workers and union fringe benefit trust funds less than the MLA rates in future years beyond 2027, 2028, or 2029, depending on the craft.

2. Draft Red-lined PLA Language Degrades Public Contract Code Skill/Experience Standards

The Standard: The Legislature created a set of rules for surface storage project contracting processes in 2016. The rules included a requirement that contractors that are short-listed for such projects commit to use a Skilled and Trained Workforce ("STW"), as defined within PCC 20928.2(c). Any construction worker from an

apprenticeable craft was to have either graduated from a state- or federal-approved registered apprenticeship program or have “at least as many hours of on-the-job [“OJT”] experience in the applicable occupation as would be required to graduate from an apprenticeship program....” In practice, Carpenters, for example, would have to have at least 4,800 hours of OJT experience; Laborers must have at least 3,000 OJT hours.

Contractors may avoid STW requirements if they agree to a Surface Storage PLA. Whereas other California statutes mandate that a PLA will bind contractors to use a skilled and trained workforce (e.g., PCC sections 10506.6 [“Best Value Construction Contracting Program”], 20155.4 [“Best Value Construction Contracting for Counties”]; and 21568.6 [“Metropolitan Water District of Southern California-Alternative Project Delivery Program”]), the Surface Storage Project PCC language of section 20928.2 does not require a PLA to have any skill or experience requirements.

The Draft PLA Degrades “Skill”/Experience Standards: The draft PLA language we have reviewed degrades the “skilled” threshold in two ways. First, employees of non-union contractors, including Barnard, who are referred to as “core employees,” must only meet a lower experience threshold of 2,000 hours in a specific construction craft, which is materially lower than the experience standards that registered apprentices of almost any trade must meet to attain journey-level-skill status. Second, residents of states other than California are not included in the calculation of either “core employee” hiring ratios or subject to any minimum experience requirement.

3. Draft PLA language incentivizes Contractors to use of Out-of-State Workers

The draft PLA exempts out-of-state construction trades workers from a PLA provision that caps non-union “Core Employees” to 5 per contractor and that establishes skill (experience) standards for non-union members. While the draft PLA would require contractors to provide a list of out-of-state construction workers, a contractor that is not directly signatory to one or more MLA would not need to establish out-of-state construction workers’ experience.

Local Employment provisions of the PLA and of the Sites Project Authority’s Construction Workforce Policy are *goals*, not requirements. There are no enforcement material mechanisms for contractors failing to meet the Policy’s goals.

Draft PLA section 3.7.3 creates a *de facto* incentive for any Contractor – including Barnard – to maximize the use of out-of-state construction trades workers who may be more accepting of prevailing wage rates of pay that are frozen at levels set in 2027, 2028, or 2029, depending on the craft.

CONCLUSION

The NCSCU believes that Barnard’s preferences, as revealed in the Draft/Red-lined PLA we have reviewed, degrade the likelihood that an adequately sized & skilled local workforce will be available for the Sites Reservoir Project. We expect that Barnard is likely to exploit a loophole in California law that will permit it to pay compensation rates to workers and labor-management fringe benefit trusts that are below union

standards in later years of the Reservoir project. We believe that gaps between prevailing and MLA-set wage standards for Barnard employees likely will result in the employment of out-of-area workers in significant numbers.

The above scenarios, if they happen, heighten the risk of labor disputes and construction project schedule delays. The scenarios also reduce economic benefits for California craft worker residents and their communities. Barnard's edits to a draft PLA signal that Barnard in fact either does not have the will or the capacity to ensure that the lion's share of the construction craft workforce will be skilled & trained union members from California, paid union rates for wages and fringe benefits.

The NCSCU recommends that the California Water Commission direct Commission staff to investigate and report on options for initiating an **external audit of the Sites Project Authority's CMAR contract file**, as envisioned in Public Contract Code section 20928.2(g)(6). The purpose of such an audit would be to confirm the Sites Project Authority's stated basis for awarding the CMAR contract to Barnard.

Respectfully,



Jay Bradshaw
Executive Officer

Section 3.7 Core Employees:

3.7.1 For each Project Site, Contractors not independently signatory to one or more MLA may employ, as needed, first, a member of its core workforce, then an employee through a referral from the appropriate Union hiring hall, then a second core employee, then a second employee through the referral system, and so on until a maximum of five (5) core employees are employed in the Contractors workforce, thereafter, all additional employees in the affected trade or craft shall be requisitioned from the craft hiring hall in accordance with the referral procedures outlined in this Article. In the laying off of employees, the number of core employees shall not exceed one-half plus one of the workforce for an employer with ten (10) or fewer employees, assuming the remaining employees are qualified to undertake the work available. This provision applies only to Contractors who are not independently signatory to a current Master Labor Agreement for the craft worker in its employ and is not intended to limit the transfer provisions of the Master Labor Agreement of any trade. As part of this process, and in order to facilitate the contract administration procedures, as well as appropriate fringe benefit fund coverage, all Contractors shall require their core employees and any other persons employed other than through the referral process, to register with the appropriate Union hiring hall, if any, prior to their first day of employment at a project site.

3.7.2 The core work force is comprised of those employees whose names appeared on the Contractor's active payroll for sixty (60) of the one hundred (100) working days immediately before award of Project Work to the Contractor; who possess any license required by state or federal law for the Project Work to be performed; who have the ability to safely perform the basic functions of the applicable trade; and have worked a total of at least two thousand (2,000) hours in the specific construction craft during the prior four (4) years.

3.7.3 Residents of states other than California shall not be included in the calculation of the hiring ratio for core employees set forth above, nor subject to the requirements of Section 3.7.2.

3.7.34 Prior to each Contractor performing any work on the Project, each Contractor shall provide a list of his core employees and any workers that are residents of states other than California to the ~~General Contractor~~CMAR and the Council. Failure to do so will prohibit the Contractor from using any core employees. Upon request by any Party to this Agreement, the Contractor hiring any core employee shall provide satisfactory proof (i.e., payroll records, quarterly tax records, driver's license, and such other documentation) evidencing the core employee's qualification as a core employee to the ~~General Contractor~~CMAR and the Council.

Public Contract Code Division 2. Part 3. Chapter 1. Article 60.6.

Surface Storage Projects (Article 60.6 added by Stats. 2016)

20928.2.

The procurement process for the project shall progress as follows:

...

(c) A contracting entity shall not be prequalified or short-listed unless the entity provides an enforceable commitment to the local agency that the entity and its subcontractors will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.

(A) "Apprenticeable occupation" means an occupation for which the chief had approved an apprenticeship program pursuant to Section 3075 of the Labor Code prior to January 1, 2014.

(B) "Skilled and trained workforce" means a workforce that meets **all of the following conditions:**

(i) All the workers are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief of the Division of Apprenticeship Standards.

[...]

(IV) For work performed on or after January 1, 2020, **at least 60 percent of the skilled journeypersons employed to perform work on the contract or project by the bidder and each of its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation** that was either approved by the Chief of the Division of Apprenticeship Standards pursuant to Section 3075 of the Labor Code or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor. *[There isn't a lower 30% threshold for carpenters, et al.!]*

(C) "Skilled journeyperson" means a worker who either:

(i) Graduated from an apprenticeship program for the applicable occupation that was approved by the chief or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor.

(ii) **Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program** for the applicable occupation that is approved by the chief.

[...]

(6) This subdivision shall not apply if the contractor, bidder, or other entity has entered into a project labor agreement that will bind itself and all its subcontractors who perform construction work on the project, and the contractor, bidder, or other entity agrees to be bound by the project agreement.

DAS [Industry Training Criteria for Carpenters](#)

Industry Training Criteria for Carpentry

ONET Code: 47-2031.01

Date : 8/24/2020

1. Length of Training

Minimum of four years

Minimum of 4800 work hours

DAS [Laborer Industry Standards](#)

Attachment “B”

Work Processes for
Construction Craft Laborer Industry Criteria

O*Net Code: 47-2061.00

- A. Site/Project Preparation and Maintenance (minimum 450 hours)
- B. Tools, Equipment and Materials (minimum 450 hours)
- C. Safety (minimum 300 hours)
- D. Environmental Remediation (minimum 160 hours)
- E. Building construction (minimum 600 hours)
- F. Heavy/Highway Construction (minimum 600 hours)

A total of not less than 440 additional hours shall hours be allocated to the above work processes.

Total Hours: 3,000