

1/1/23 -12/31/25

SPANAWAY WATER COMPANY, INC.

WAGE AND WORKING AGREEMENT

This Agreement is made and entered into by and between SPANAWAY WATER COMPANY, INC., hereinafter referred to as the EMPLOYER and the UFCW UNION LOCAL NO. 367, chartered by the United Food and Commercial Workers International Union, CLC, hereinafter referred to as the UNION.

SECTION 1
Recognition

1.01 The Employer recognizes the Union as the collective bargaining agent herein established and described as follows: all employees employed by the Employer except the positions specifically identified in the Addendum Agreement.

SECTION 2
Union Security

2.01 The Employer agrees that all employees covered under this Agreement shall, as a condition of employment, thirty-one (31) days from the effective date of this Agreement, become and remain members of the Union in good standing.

2.02 DEDUCTION OF UNION DUES

2.02.1 The Employer agrees to deduct from the wages of each employee upon proper authorization from the employee affected, union dues that are authorized by a regular and proper vote of the membership of the Union. The employee shall, within thirty (30) days after commencement of employment, provide the Employer with a signed authorization for such deductions.

2.02.2 Monies deducted at the end of each month for the following month shall be forwarded by the Employer to the Union not later than ten (10) days following the Employer's accounting period, accompanied by a written statement of the names of the employees from whom the deductions were made and the amount of these deductions.

2.02.3 In the event of a change in the Union dues, the Union will give the Employer notice of the effective date of the change or deduction as the case may be.

SECTION 3
Hiring and Termination

3.01 It is further agreed that the Employer has the final choice as to whom he hires and shall notify the Union within seventy-two (72) hours of hire of a new employee, Saturday, Sunday and Holidays excepted. No employee shall be disciplined or discharged except for just cause. The Employer shall be the judge of the competency and qualifications of his employees and shall make such judgment fairly, subject to review by an Arbitrator

SECTION 4 **Holidays**

4.01 The following days shall be designated as legal holidays and shall be granted with no deduction in salary: New Year's Day, Martin Luther King Jr.'s Birthday, Memorial Day, Juneteenth, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, Christmas Eve, Christmas Day, and President's Day. In the event a holiday honored under this Agreement falls during an employee's vacation, such employee shall receive an additional day's vacation or pay in lieu thereof. Any holiday which falls on a Saturday shall be observed as a holiday on the preceding Friday. Any holiday which falls on a Sunday shall be observed as a holiday on the following Monday.

4.01.1 The holidays set forth in Section 4.01 shall be observed as holidays on the date established for each by Federal legislation.

SECTION 5 **Bereavement Leave**

5.01 Any regular employee suffering a death in the immediate family shall be allowed five (5) working days' leave from work with pay, at the regular rate. Members of the immediate family are defined as father, mother, sister, brother, wife, husband, son, daughter, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, grandparents, and grandparents-in-law and same sex domestic partner.

SECTION 6 **Sick Leave**

6.01 Sick leave shall accumulate on the basis of eight (8) hours per month. Sick leave up to the amount accumulated may be taken on the first day of illness or accident. Up to sixteen (16) hours of accumulated sick leave may be taken each year on an hour-by-hour basis for doctor and dentist appointments. Sick leave shall be coordinated with time loss to provide one-hundred percent (100%) salary protection until sick leave accumulation has been used. A doctor's certificate or other authoritative verification of illness may be required by the Employer and, if so, must be presented by the employee not more than forty-eight (48) hours after return to work. Upon termination of employment, employees shall be paid for all unused (accrued) sick leave to a maximum of one thousand forty hours (1040 hours, 130 days).

SECTION 7

Vacations

7.01 Vacation shall accrue at a yearly rate presented below. Such accruals shall be credited to the employee on a bi-weekly basis.

Commencing on:

Date of hire to third anniversary date	80 hours/two weeks
Third to seventh anniversary date	120 hours, three weeks
Seventh to tenth anniversary date	136 hours/three weeks and two days
Tenth anniversary date	144 hours/three weeks and three days
Eleventh to nineteenth anniversary date	160 hours/four weeks
Nineteenth anniversary date on	200 hours/ five weeks

Up to 120 hours of accrued vacation may be carried over to the next year.

SECTION 8

Health and Welfare/Dental

8.01 The Employer and the Union agree to be bound by the terms of the Trust Agreements which created the Sound Health and Welfare Trust, as initially executed on June 18, 1957, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Plan Document, the Trusts' Rules and Regulations, the Summary Plan Description, and other pertinent procedures, practices, and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust.

8.02 The Employer and the Union agree to be bound by the Health and Welfare Labor Agreement, effective May 6, 2007, by and between Allied Employers, Inc., and UFCW Union Locals No 3000, 367, UFCW International (AFL-CIO), and Teamsters Union Local 38, and by all subsequent revisions or amendments thereto.

8.03 Employers party to this Agreement shall continue to pay on a per compensable hour basis (maximum of one hundred and seventy-three (173) hours per calendar month per employee) into the Sound Health and Welfare Trust for the purpose of providing the employees with hospital, medical, surgical, vision, group life, accidental death and dismemberment, weekly indemnity benefits and dental benefits in accordance with the contribution rates and related provisions established by the separate Health and Welfare Agreement between Allied Employers, Inc., and various Local Unions dated April 1, 1977, and as subsequently amended.

8.04 The details of the benefit programs including a description of exact benefits to be provided, and the rules under which employees and their dependents shall be eligible for such benefits, shall be determined by the Trustees of the Sound Health and Welfare Trust in accordance with the terms and provisions of the Trust Agreement creating the Sound Health and Welfare Trust, dated June 18, 1957, and as may be subsequently amended.

8.05 The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this Agreement.

8.06 The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

8.06.1 Notwithstanding the foregoing Section, the Board of Trustees of the Sound Health and Welfare Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted, as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

8.07 The Employer agrees to pay the cost of maintaining the current health and welfare plans for the life of the agreement. In addition, the Employer agrees to pay the weekly co-pays and any and all increases in the weekly co-pays for the duration of the Agreement.

Currently those weekly co-pays will increase as shown below effective January 2023 hours:

	Single	Employee & Spouse	Employee & Children	Family
PPO	\$9.00	\$21.00	\$15.00	\$23.00
HMO	\$5.00	\$15.00	\$9.00	\$19.00

8.08 Effective for January 1, 2023, hours, the Employer will contribute to the Sound Health and Wellness Trust as follows:

In March 2022, the consultants will determine the actual current hourly cost of the plan based on (1) the most recent 12 months of incurred plan expenses adjusted to reflect trend to the 12-month period ending April 30, 2022, (2) the most recent 12 months of employee contributions, (3) the most recent 12 months of hours, and (4) expected investment income. The contribution rate will be set based on this hourly cost analysis and shall become effective with April 2022 hours, provided that the hourly rate shall not exceed \$5.19 and not be less than \$4.86.

Starting March 1, 2023, every six months through March 2025, the consultants will project Plan expenses and income and report these amounts to the Trustees. Based on those projections, the Trustees will set the contribution rate (with a minimum rate of \$4.86 and up to a maximum rate of \$5.25) that is anticipated to result in an excess reserve of \$52 million by April 30, 2025. Each recalculated rate shall become effective for the Employer as of the effective date determined by the Trustees and the Employer shall pay the recalculated as of such effective date. Adjustments will only be made in the employer contribution rate if the consultants determine \$0.05/hour or more is needed to hit the target reserve.

In March 2025, the consultants will determine the actual current hourly cost of the plan based on (1) the most recent 12 months of incurred plan expenses adjusted to reflect trend to the 12-month period ending April 30, 2025 (2) the most recent 12 months of employee contributions, (3) the most recent 12 months of hours, and (4) expected investment income. The contribution rate will be set based on this hourly cost analysis and shall become effective with April 2025 hours, provided that the hourly rate shall not exceed \$5.40 and not be less than \$4.86. (The \$0.05 per hour threshold in the previous paragraph does not apply to this final rate setting).

The buy-up rate, if applicable, also will be decreased and increased accordingly.

8.09 All other Trust programs shall continue unless modified by the Trustees based on the terms of the

Trust and Plan documents.

SECTION 9

Retirement Program

9.01 The Employer and the Union agree to be bound by the terms of the Trust Agreement which created the Sound Retirement Trust (SRT) as initially executed on January 13, 1966, by all subsequent revisions or amendments thereto, and by all policies and other conditions of participation and eligibility, which may be established from time to time by the Trust's Plan Document, Summary Plan Description, and other pertinent rules, regulations, and Trustee actions. The Employer accepts the Employer Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for purposes of managing the Trust. The Union accepts the Labor Organization Trustee members of the Board of Trustees, and their duly appointed successors, as its representatives for the purposes of managing the Trust.

9.02 All contributions shall be paid on compensable hours with a maximum of one hundred seventy-three (173) hours per calendar month per employee.

9.03 The term "compensable hour" shall mean any hour for which any employee receives any compensation required by this Agreement.

9.03.1 The contribution referred to shall be computed monthly and the total amount due for each calendar month shall be remitted in a lump sum not later than twenty (20) days after the last day of the month in which the contributions were earned.

9.04 Notwithstanding the foregoing Section, the Board of Trustees of the Sound Retirement Trust shall have the authority to establish and enforce a method for reporting contributions on an accounting period basis, rather than a calendar month basis. In such a case, the one hundred and seventy-three (173) hour maximum shall be appropriately adjusted as directed by the Trustees, provided that in no event shall the Employer's total obligation be different than what it would have been on a calendar basis. Further, the total contributions due for each approved accounting period shall be remitted in a lump sum not later than twenty (20) days after the end of the accounting period.

9.05 The provisions of the Grievance Procedure language set forth in this Agreement shall, in no way, apply to or affect the Employer's obligation to pay contributions to this Trust Fund.

9.06 The Employer shall contribute to the Sound Retirement Trust on account of each member of the bargaining unit under this Section 9.

9.07 The Employer agrees to adopt Appendix A of the updated Rehabilitation Plan of the Sound Retirement Trust Preferred Schedule, as outlined in the attached Letter of Understanding, "Exhibit A" (see attached), as updated and in effect as of the adoption of this Agreement and as updated December, 2019.

9.07.1 The SRT Employer liabilities will be funded under an updated Rehabilitation Plan designed with the objective that the Plan will move to the green zone and achieve 102% funding by 2030. This updated Rehabilitation Plan will include the current scheduled increases plus an additional contribution of three (\$.03) cents per hour in annual increases over a new ten-year period beginning January 1, 2020 (January hours/February payment). Such accelerated funding in this agreement shall apply to the SRT liabilities and shall remain in effect regardless of the Zone status of the Plan.

9.07.2 The Employer shall continue to pay all of the scheduled contribution increases under the updated Rehabilitation Plan, as set forth above, through the term of this CBA, regardless of the zone status of the SRT. All hourly contributions to the SRT shall continue to be made on behalf of all compensable hours above regardless of whether the employee participates in the SRT prior to the freeze date.

9.07.3 The Employer will continue to make contributions to the Sound Retirement Trust as described in this Section. The Employer shall make contributions on behalf of all eligible employees to the Sound Retirement Trust under this Section:

Spanaway Water Company			
CBA Period	1/1/2023 - 12/31/2025		
	Jan-23	Jan-24	Jan-25
Accrual Rate	2.65	2.65	2.65
Pre-Rehab Rate	0.10	0.10	0.10
Rehab Rate	1.192	1.222	1.252
Non-benefit redirect from retiree welfare	0.01	0.01	0.01
TOTAL	3.952	3.982	4.012

9.07.4 The Parties hereby adopt the Preferred schedule under the Rehabilitation Plan of the Sound Retirement Trust, as updated in September 16, 2020, with the Preferred schedule to be effective with respect to those subject to the terms of this collective bargaining agreement as of the date stated in the Rehabilitation Plan and selected Schedule and the Employer shall contribute in accordance with such schedule. In accordance with that Schedule, the Employer also shall make such additional supplemental contributions in addition to the base contributions as described under this Section. It is recognized and agreed that said supplemental contributions will not result in any pension credit for the covered employees.

9.07.5 Future benefit accruals under the SRT have ceased for the Employer's employees and the SRT plan has been frozen for such employees; as a result the funding of 125% of the employer's base contribution for the SRT for the Employer's employees has been discontinued and the hourly contribution rates paid to the SRT above have been reduced by the adjusted base contribution.

9.07.6 The Employer will continue to contribute to the SRT and not incur a withdrawal from the SRT solely as a result of the cessation of future benefit accruals under the SRT.

9.08 Sound Variable Annuity Pension Plan (VAP).

9.08.1 The Employer agrees to promptly provide, on a periodic basis, such salary data for

employees intended to be covered by the VAP to allow the actuaries for the parties developing the VAP to determine the benefit accrual rate from the VAP that can be funded with such contributions determined above and in the future as the VAP operates to allow administration of the VAP.

9.08.2 Sound Variable Annuity Trust Employer Contributions: The Employer will contribute for each eligible employee to the Sound VAP Trust in accordance with the parties' Health & Welfare and Pension Agreement and as follows.

9.08.3 The Employer will contribute (7.0%) seven percent of gross salary per month, for each eligible active participant to the VAP, with salary defined as W-2 gross wages for federal income tax purposes plus pre-tax elective deferrals under sections 401(k), 125, health and welfare plan contributions and amounts contributed for 132(f)(4) plans under the Internal Revenue Code of 1986, Contributions will be made on behalf of current active employees and future newly hired employees in classifications for whom contributions have been made under the current collective bargaining agreement. Salary shall be gross wages per payroll period. Contributions shall be remitted monthly, in the same manner as they have been made to the SRT. Notwithstanding the above, for the term of this contract, in no event shall the contribution be less than 125% of the base contribution to the Sound Trust as of the effective date of the VAP.

9.09 Should any employee choose to participate in the Employer offered 401K. program, the Employer will match the employee's contributions up to 3% of the employee's annual base salary not to include overtime, on-call time and on-call out time.

SECTION 10

Severability

10.01 In the event that any provision of this Agreement shall, at any time, be declared invalid by any court of competent jurisdiction or through government regulations or decrees, such decision shall not invalidate the entire Agreement, it being the express intention of the parties hereto that all other provisions not declared invalid shall remain in full force and effect. In such event, either party may request renegotiation of such invalid provisions for the purpose of adequate and lawful replacement thereof.

SECTION 11

Grievance and Arbitration Procedure

11.01 If an employee is given a directive by a supervisor which the employee believes to be in conflict with any of the provisions of this Agreement, the employee shall comply with the directive at the time given and thereafter, exercise his/her right to grieve the matter, except in cases where the employee is directed to commit an illegal act, or is directed to engage in an unsafe practice or act or in situations where it would be futile to file a grievance. The employee's compliance with such directive will not prejudice the employee's complaint with such grievance, and such compliance will not affect the resolution of the grievance.

11.02 Step One. Any grievance or dispute concerning the application or interpretation of this Agreement must be presented in writing by the aggrieved party to the other party within thirty (30) days from the date of the occurrence giving rise to such grievance or dispute, otherwise, such right of protest shall be deemed to have been waived. The General Manager or their designee shall provide a written response to the Union within twenty-one (21) working days from receipt of the grievance. In the event the

Employer's Step One response to the grievance fails to resolve the issue, such grievance shall proceed to Step Two (Section 11.03).

11.03 Step Two. If the grievance is not resolved at Step One, the matter shall be referred to a Labor Relations committee consisting of the General Manager (or their designee) and one additional employer representative and two representatives of the Union (at least one of which shall be an employee of Local 367). In the event the Labor Relations Committee fails to reach an agreement within twenty-one (21) working days from the date a grievance is considered by the Committee, the moving party must, within twenty-one (21) working days thereafter refer the matter to Step Three, arbitration.

11.04 Step Three. The General Manager (or their designee) and a representative of the Union shall select a disinterested party to serve with them as a Board of Arbitration. Said Board shall meet and render a final and binding decision within seven (7) calendar days of such meeting. During such proceedings there shall be no cessation of work. In the event the committee cannot agree upon the selection of an arbitrator, the arbitrator shall be selected in the following manner: The Federal Mediation and Conciliation Service shall be jointly requested by the parties to name a panel of seven (7) arbitrators. The parties shall then choose the arbitrator by the Employer and the Union in that order, alternately striking a name from the list until one name remains as the arbitrator chosen by the parties and empowered to arbitrate the dispute.

11.05 The arbitrator shall be authorized to rule and issue a decision and award, in writing, on any issue presented for arbitration, including the question of the arbitrability of such issue. His decision and award shall be final and binding upon both parties to this Agreement. The fees of the arbitrator shall be borne one-half (1/2) by the Union and one-half (1/2) by the Employer party to the arbitration.

11.06 In the event either party fails to submit any question to arbitration within ninety-six (96) hours after receipt of a request from the other to submit such question to arbitration, such party shall, notwithstanding any other provisions of this Agreement, have the right to strike, take economic or other appropriate action. By exercising its rights under this Section, neither party shall be deemed to have waived its right to proceed in the courts to compel the other to submit to arbitration.

SECTION 12 Wages

12.01 The following shall be the minimum wages paid to current employees. Written statements or check stubs shall be furnished to all employees, showing dates of pay period, straight time and overtime hours worked, hourly rate of pay, gross earnings, deductions and net earnings:

FIELD STAFF

Lead person	1/1/23	1/1/24	1/1/25
1 st Year	\$42.85	*	*
2 nd Year	\$44.56		
3 rd Year	\$45.42		
4 th Year	\$47.14		
5 ⁺ Years	\$49.28		

Water Worker II	1/1/23	1/1/24	1/1/25
1 st Year	\$25.65	*	*
2 nd Year	\$29.95		
3 rd Year	\$34.24		
4 th Year	\$38.56		
5 ⁺ Years	\$42.85		

Water Quality Tech	1/1/23	1/1/24	1/1/25
1 st Year	\$25.65	*	*
2 nd Year	\$29.95		
3 rd Year	\$34.24		
4 th Year	\$38.56		
5 ⁺ Years	\$42.85		

Water Worker 1 (see note below)	1/1/23	1/1/24	1/1/25
1 st 6 months	\$25.65	*	*
2 nd 6 months	\$27.82		
2 nd Year	\$29.95		
3 rd Year	\$34.24		
4 th Year	\$38.56		
5 ⁺ Years	\$42.85		

Water Worker 1 2nd year requires WDMI or WTPO or CCS

Water Worker 1 3rd year requires WDMI and WTOP or CCS

Water Worker 1 may advance to Water Worker II in fourth year based upon attainment of WDMI & BTO or CCS certifications and satisfactory performance of all Water Worker I job duties.

Facility Maintenance I	1/1/23	1/1/24	1/1/25
1 st 6 months	\$21.38	*	*
2 nd 6 months	\$23.49		
2 nd Year	\$25.65		
3 rd Year	\$27.82		
4 th Year	\$29.95		
5 ⁺ Years	\$34.24		

OFFICE STAFF

Utility Billing Specialist	1/1/23	1/1/24	1/1/25
1 st Year	\$25.65	*	*
2 nd Year	\$29.95		
3 rd Year	\$34.24		
4 th Year	\$38.56		
5 ⁺ Years	\$42.85		

Receptionist/Billing Assistant	<u>1/1/23</u>	<u>1/1/24</u>	<u>1/1/25</u>
1 st 6 months	\$21.38	*	*
2 nd 6 months	\$23.49		
2 nd Year	\$25.65		
3 rd Year	\$27.82		
4 th Year	\$29.95		
5 ⁺ Years	\$34.24		

Customer Service Representative	<u>1/1/23</u>	<u>1/1/24</u>	<u>1/1/25</u>
1 st 6 months	\$25.65	*	*
2 nd 6 months	\$27.82		
2 nd Year	\$29.95		
3 rd Year	\$34.24		
4 th Year	\$38.56		
5 ⁺ Years	\$42.85		

Graphic Information System & Support Specialist	<u>1/1/23</u>	<u>1/1/24</u>	<u>1/1/25</u>
1 st 6 months	\$23.57	*	*
2 nd 6 months	\$25.72		
2 nd Year	\$29.99		
3 rd Year	\$34.30		
4 th Year	\$38.57		
5 ⁺ Years	\$42.85		

Wage rates do not reflect additional amounts diverted to pension.

* Annually, increase will be based on the October to October cost of living using CPI Urban Wage Earners and Clerical Workers (CPI-W) figures for Seattle / Tacoma/Bellevue plus 2.0 percent with a total minimum of 4.0% and a maximum of 7.0%.

12.02 Longevity Compensation

The Employer shall compensate each employee the added percentage listed for years of service employed with the Employer. Such compensation shall be paid for all hours worked at their applicable hourly rate of compensation. For purposes of calculating years of service, anniversary dates shall be used for basis of accreditation. All current employees as of the ratification of this agreement shall have their years of service accredited for the purposes of factoring their longevity compensation. The percentages are as follows:

From 5 through 9 years of continuous service	0% per pay period
From 10 through 14 years of continuous service	1% per pay period
From 15 through 19 years of continuous service	2% per pay period
From 20 years to retirement	3% per pay period

12.03 On-Call Pay

The on-call rate shall be \$4 per hour. Anytime between 10:00 pm and 5:00 am when an on-call response requires the employee to answer a system operational related call, the on-call employee shall receive normal overtime compensation for the greater of one (1) hour or the actual time spent on the response, to include all parties involved.

SECTION 13
No Strike No Lockout

13.01 During the life of this Agreement, the Union agrees not to engage in any strike or stoppage of work and the Employer agrees to not engage in any lockout.

13.02 It shall not be a violation of this Agreement and it shall not be a cause for discipline or discharge for an employee to refuse to cross a labor union picket line provided such picket line is approved by Local 367.

SECTION 14
Termination and Renewal

14.01 This Agreement shall become effective January 1, 2023, and shall remain in full force and effect until and including December 31, 2025. This Agreement shall continue in effect from year to year thereafter unless either party gives notice, in writing, at least sixty (60) days prior to the expiration date of its desire to terminate or modify such Agreement.

SPANAWAY WATER COMPANY, INC.
18413 B Street E
Spanaway, WA 98387

UFCW UNION LOCAL NO. 367
6403 Lakewood Dive W Tacoma,
WA 98467

By. Tim Wells

Tim Wells
Manager

By. Michael Hines

Michael Hines
President

Date 8/19/2023

Date 9/5/2023

Letter of Understanding Work Wear Allowance

Employees shall receive an annual allowance of \$440.00 to be used for the purchase of approved work wear. Any unused amounts may be carried over to the next year to a maximum of \$600.00 in any calendar year. It is understood work wear shall include pants, as discussed in negotiations for the 2011 through 2013 agreement.

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By: Tim Wells

Tim Wells
Manager

By: Michael Hines

Michael Hines
President

Date: 8/14/2023

Date: 9/5/2023

Letter of Understanding
“Availability for On-Call-Duties”

An employee on vacation, sick leave or leave without pay may be considered available for on-call duty provided they are capable of fulfilling the on-call responsibilities identified herein. An on-call employee who is also on vacation, sick leave, or using leave without pay must contact their acting supervisor prior to the close of business on the day missed to review current system status for the missed day. An employee who has transferred on-call responsibilities to another employee shall notify the on-call answering service and acting supervisor of the change and make the on-call vehicle available for the replacement on-call employee. Upon return to normal work, the employee shall again resume on-call duties until the normal Wednesday change in on-call personnel.

Once a Water Worker has, in the sole judgement of the management team, demonstrated the skills and necessary familiarity with the Spanaway Water system to complete the essential job function of an on-call employee, that employee may elect to be included in the on-call rotation. At all times Spanaway Water requires a minimum of four water workers in the on-call rotation. If four water workers have not volunteered for on-call duty, the Management Team will assign and require qualified water workers to serve on the on-call rotation to ensure availability for emergency response.

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By. Tim Wells

Tim Wells
Manager

By. Michael Hines

Michael Hines
President

Date 8/14/2023

Date 9/5/2023

Letter of Understanding Maternity/Paternity Leave

Employees may use their earned sick leave, up to four (4) weeks maximum, for maternity/paternity leave, following the birth of a child. This time off shall be in addition to the time an employee may be medically disabled from work following the birth of a child.

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By. Tim Wells

Tim Wells
Manager

By. Michael Hines

Michael Hines
President

Date 8/14/2023

Date 9/5/2023

Letter of Understanding
By and Between
Spanaway Water Company
And
UFCW Union Local No. 367
Retirees Health & Welfare

Wind down and terminate the Retiree Health & Welfare Plan with assistance to current retirees, termination target date of December 31, 2018.

Effective May 2016 hours, defer \$0.02 per hour from the active health & welfare contribution for a total Retiree Health & Welfare contribution of \$0.03 per hour.

Upon termination, or sooner if practicable, redirect \$0.02 per hour back to the active plan contribution and redirect \$0.01 per hour and any remaining assets from the Retiree Health & Welfare plan to pension for funding purposes only.

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WA 98467

By. Tim Wells

Tim Wells
Manager

By. Michael Hines

Michael Hines
President

Date 8/14/2023

Date 9/5/2023

Letter of Understanding
Paid Family and Medical Leave Premiums

The Company agrees to pay one hundred percent (100%) the amount of premiums due under the Washington State Paid Family and Medical Leave program.

SPANAWAY WATER COMPANY, INC.
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By. Tim Wells

Tim Wells
Manager

By. Michael Hines

Michael Hines
President

Date 8/14/2023

Date 9/5/2023

Letter of Understanding
401k Plan Administration Costs

The Company agrees to cover one hundred percent (100%) of the administration costs related to the Company's 401k plan.

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By. Tim Wells

Tim Wells
Manager

By. Michael Hines

Michael Hines
President

Date 8/14/2023

Date 9/5/2023

APPENDIX
EMPLOYER BARGAINING AGREEMENTS COVERING ONLY SOUND
RETIRMENT TRUST - PREFERRED SCHEDULE

Spanaway Water Company

This is the Preferred Schedule for Employers that have bargaining agreements with an obligation to contribute to the Sound Retirement Trust. This Appendix applied to stores in bargaining agreement areas (e.g., Pierce County) in which both the grocery and meat department employees (if any) have historically participated in the Sound Retirement Trust (that is bargaining agreements where the meat department employees were NOT covered under the former Washington Meat Industry Pension Trust).

This Preferred Schedule will apply to participating Employers and Unions that have adopted it as follows:

For bargaining agreements that expired on or after January 1, 2011, and prior to May 1, 2013, or which adopted this Schedule during that period, the Preferred Schedule requires the additional employer supplemental contribution rates set for in Table 1 below.

Table 1	
Effective:	
January Hours 2011	\$0.05
January Hours 2012	\$0.10
January Hours 2013	\$0.15
January Hours 2014	\$0.20
January Hours 2015	\$0.25
January Hours 2016	\$0.30
January Hours 2017	\$0.35
January Hours 2018	\$0.40
January Hours 2019	\$0.45
January Hours 2020	\$0.50
January Hours 2021	\$0.55
January Hours 2022	\$0.60
January Hours 2023	\$0.65

For bargaining agreements expiring on or after May 1, 2013, and prior to September 1, 2016, or which adopt this Schedule during this period, the Preferred Schedule requires the additional Employer supplemental contribution rates set forth in Table 2 below.

Table 2	
Effective:	
January Hours 2013	\$0.15
January Hours 2014	\$0.21
January Hours 2015	\$0.27
January Hours 2016	\$0.33
January Hours 2017	\$0.39
January Hours 2018	\$0.45
January Hours 2019	\$0.51
January Hours 2020	\$0.57
January Hours 2021	\$0.63
January Hours 2022	\$0.69
January Hours 2023	\$0.75

For bargaining agreements adopted on or after September 1, 2016, or which adopt this Table 3 before September 1, 2016, the Preferred Schedule requires the additional employer supplemental contribution rates set forth in Table 3 below.

Table 3	
Effective:	
January Hours 2016	\$0.330
January Hours 2017	\$0.436
January Hours 2018	\$0.542
January Hours 2019	\$0.648
January Hours 2020	\$0.754
January Hours 2021	\$0.860
January Hours 2022	\$0.966
January Hours 2023	\$1.072

With respect to bargaining agreements adopted on or after September 1, 2016, the contribution increases provided under this Table 3 are effective no later than for hours worked the first full month following the later of the effective date or ratification date of the new collective bargaining agreement, not to exceed 180 days following the expiration of such agreement.

The initial rate increase cannot be made retroactive unless the amount of the increase is greater than the surcharge it replaces.

For bargaining agreements adopted on or after December 5, 2019, or which adopt this Table 4 before December 5, 2019, the Preferred Schedule requires the additional employer supplemental contribution rates set forth in Table 4 below.

Effective:	
January hours 2020	\$0.784
January hours 2021	\$0.920
January hours 2022	\$1.056
January hours 2023	\$1.192
January hours 2024	\$1.222
January hours 2025	\$1.252
January hours 2026	\$1.282
January hours 2027	\$1.312
January hours 2028	\$1.342
January hours 2029	\$1.372

With respect to bargaining agreements adopted on or after December 5, 2019, the contribution increases provided under this Appendix are effective no later than for hours worked the first full month following the later of the effective date or ratification date of the new collective bargaining agreement, not to exceed 180 days following the expiration of such agreement.