

**Side Letter Agreement
Between
International Union of Operating Engineers, Stationary Engineers, Local 39
and
City of Grass Valley**

This Side Letter Agreement is entered into by and between the International Union of Operating Engineers, Stationary Engineer Local 39 (“Union”) and the City of Grass Valley (“City”).

1. Purpose

The purpose of this Side Letter Agreement is to establish compensation for employees assigned to approved reimbursable deployments, including but not limited to strike teams, task forces, prepositioned resources, overhead assignments, and extended upstaffed wet hire deployments.

If there is any question regarding whether an assignment qualifies under this Side Letter, the Fire Chief shall have authority to approve or deny eligibility.

2. Qualifying Deployment Compensation

Employees assigned to a qualifying reimbursable deployment shall receive compensation portal-to-portal, beginning at the time of deployment and ending upon return from the assignment. “Portal to portal” shall be defined as beginning at the time of dispatch to the return to jurisdiction when equipment and personnel are in service and available for City response.

In addition to all other compensation provided under the Memorandum of Understanding, employees assigned to a qualifying reimbursable deployment shall receive a deployment pay differential equal to fifteen percent (15%) of the employee's base hourly wage for all compensable hours worked while assigned to the reimbursable emergency incident.

The deployment pay differential shall be calculated as follows:

Deployment Pay Differential = (Employee Base Hourly Wage × 15%) × Deployment Hours Worked

The deployment pay differential shall be paid for all compensable deployment hours, including straight-time and overtime hours worked during the qualifying deployment.

Overtime compensation shall be calculated in accordance with the Fair Labor Standards Act (FLSA) and applicable law. The deployment pay differential shall be included in the employee's regular rate of pay to the extent required by the FLSA for purposes of calculating overtime compensation.

The deployment pay differential is a temporary premium applicable only during the qualifying reimbursable deployment and shall not modify the employee's base hourly wage or rate of pay for any other purpose.

Payment under this Agreement shall not be construed as changing the exempt or non-exempt status of any employee under the FLSA.

3. Exclusions

Deployments occurring solely as mutual aid responses under the California Fire and Rescue Mutual Aid System on a “neighbor helping neighbor” basis shall not qualify for the fifteen percent (15%) deployment differential unless otherwise approved by the Fire Chief.

The fifteen percent (15%) deployment differential provided under this Side Letter shall not be reported as pensionable compensation to CalPERS unless otherwise required by law.

Nothing in this Agreement guarantees that any deployment will be deemed reimbursable by Cal OES, Cal Fire, or any other agency. If reimbursement is denied for reasons outside the City's control such deployment shall not qualify for the fifteen percent (15%) deployment differential unless otherwise approved by the Fire Chief.

4. Reopener for Legal Compliance

In the event either party determines, based upon legal review, administrative guidance, audit findings, or changes in applicable law, that any provision of this Agreement may not comply with the Fair Labor Standards Act (FLSA) or other applicable wage and hour laws, either party may request to reopen negotiations limited to the affected provision(s) of this Agreement. Any modifications agreed upon shall be reduced to writing and approved by both parties prior to implementation.

The parties agree to meet and confer in good faith regarding any necessary modifications to ensure compliance with applicable law while preserving, to the extent practicable, the original intent of the parties.

5. Duration

This Side Letter Agreement shall take effect on June 9, 2026, and shall remain in effect unless modified or terminated by mutual agreement of the Union and the City. Either party may request to reopen this Agreement after twelve (12) months for the limited purpose of reviewing operational or reimbursement impacts.

6. All Other Terms

All other terms and conditions of the current Memorandum of Understanding (MOU), not specifically addressed in this Side Letter shall remain in full force and effect.

City of Grass Valley

Alex Gammelgard, Interim City Manager

Date

International Union of Operating Engineers, Stationary Engineers, Local 39

Ralph Raper, Bargaining Team Member

Date

Jay Gladieux, President

Date