

**SIDE LETTER  
TO  
CONFIDENTIAL UNIT MEMORANDUM OF UNDERSTANDING  
2011 THROUGH 2012**

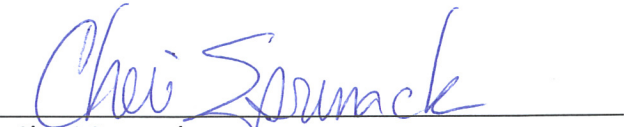
The undersigned hereby agree to the following:

1. A 2% cost of living adjustment (COLA), effective January 1, 2012, in accordance with the following Wage Reopener clause in the 2011 through 2012 MOU:

*If, following one year from the date of this agreement, the average annual Consumer Price Index ("CPI") for Urban Wage Earners and Clerical for the Western Urban Area, as issued by the United States Bureau of Labor Statistics for the period November 2010 to October 2011, should exceed two point five percent (2.5%), both parties shall agree to reopen negotiations for the sole purpose of discussing potential adjustment to wages. This reopener shall cease to have effect upon the expiration of this Agreement.*

2. Extension of the current MOU through December 31, 2013, maintaining the terms and conditions of the 2011 through 2012 MOU.

  
Michael A. Willihnganz  
Director of Administrative Services  
Placer County Water Agency

  
Cheri Sprunck  
Confidential Unit Representative