SIGNATURE PAGE

The Outside, Generation, and Office and Engineering contracts are Tentatively Agreed to subject to final review BY:

Chugach Electric Association, Inc.

Lee Thibert Chief Executive Officer

12-21-18

Date

International Brotherhood of Electrical Workers

Dave Reaves, Business Manager Local 1547, IBEW

12-20-18

Date

AGREEMENT COVERING TERMS AND CONDITIONS OF EMPLOYMENT

OFFICE AND ENGINEERING PERSONNEL

Between

CHUGACH ELECTRIC ASSOCIATION, INC.



And

LOCAL UNION 1547 INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS



Effective TBD through June 30, 2025

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PREAMBLE

AGREEMENT COVERING TERMS AND CONDITIONS OF EMPLOYMENT

OFFICE AND ENGINEERING PERSONNEL

Between

CHUGACH ELECTRIC ASSOCIATION, INC. Anchorage, Alaska

And

LOCAL UNION 1547 INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO Anchorage, Alaska

THIS AGREEMENT, entered into in duplicate by and between CHUGACH ELECTRIC ASSOCIATION, INC., an Alaska nonprofit electric cooperative corporation having its principal offices at Anchorage, Alaska, hereinafter referred to as the "Employer", and LOCAL UNION 1547 of the INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, of Anchorage, Alaska, hereinafter referred to as the "Union".

The Employer and the Union recognize that the Employer is engaged in furnishing an essential public service which vitally affects the health, safety, comfort and general wellbeing of those persons resident in the service area of the Employer.

The Employer and the Union have a common and sympathetic interest in the generation, transmission and distribution of energy. Such common interest and the public welfare will be better served by the establishment and maintenance of labor management cooperation between the Employer and the Union.

It is the intent and purpose of the parties to promote and improve industrial and economic relations between the Employer, its employees, and the Union; to establish a basic understanding relative to rates of pay, hours of work and other conditions of employment to provide procedures for the amicable adjustments of all disputes and grievances; and to promote and foster harmonious employer-employee relations to the mutual benefit of the Employer, its employees, the Union and the general public.

The management of the Employer and the leadership of the Union are committed to use due diligence, to develop a positive labor-management relationship. The primary goals are to promote the success of the Employer, to provide rewarding jobs for its employees and to provide quality service to meet the needs of its customers. The purpose of this Agreement is to create a labor-management structure and set forth terms and conditions of employment to support a work environment that will further these goals.

In consideration of the mutual covenants herein set forth, the parties agree as follows:

ARTICLE 1

Scope and Duration of Agreement

Section 1.1 Scope

This Agreement is applicable to work within the scope of job classifications covered by this Agreement, and the employees who perform that work, and will not be applicable to other positions or job classifications except as agreed between the Union and Employer.

Section 1.2 Duration

This Agreement shall become effective at 12:01 a.m. on the date of the execution of the Agreement by both parties or as otherwise provided by the parties in writing (whichever comes first), and shall continue in full force and effect through and including 11:59 p.m. June 30, 2025 and shall continue in full force and effect from year to year thereafter unless written notice of desire to terminate or amend this Agreement is served by either party upon the other no more than three hundred (300) days, and no less than two hundred seventy (270) days, prior to the date of expiration. Such written notice to terminate or amend is given, negotiations shall commence within thirty (30) days following the date of the notice and this Agreement are agreed upon; provided, however, that either party may at any time thereafter provide the other party with a second notice to terminate this Agreement as of the date stated in such notice to terminate, which date shall not be earlier than ninety (90) days after the expiration date of this Agreement, and thirty (30) days after the giving of such notice to terminate.

It is the intent of the parties with respect to collective bargaining of future Agreements to conduct their negotiations in such a manner as to reach a new Agreement on or before the termination of the present Agreement.

Section 1.3 No Strike Agreement

There will be no stoppage of work either by strike or lockout because of any proposed changes in this Agreement or disputes over matters relating to this Agreement. All such matters will be settled as provided herein.

ARTICLE 2

Employer-Union Relations

Section 2.1 Legal Status of the Parties

The Union recognizes that the Employer is a utility and that the Employer must comply with federal, state, and local laws and regulations applicable to Employer. The Employer recognizes that Local Union 1547 is affiliated with the International Brotherhood of Electrical Workers.

Section 2.2 Managerial Prerogatives of the Employer

The management of Employer's operations and direction of the work force is vested exclusively in the Employer. Providing that the action taken by Employer is not inconsistent with the terms of this Agreement and is not taken for the purpose of discriminating against an employee based on Union membership, the Employer retains management rights and responsibilities, including, but not limited to:

- (1) To prescribe working rules pertaining to safety, discipline, and conduct;
- (2) To supervise and schedule the work force;
- (3) To employ, promote, transfer, and lay-off employees;
- (4) To discipline employees for just cause;
- (5) To determine the size of the work force;
- (6) To control and regulate the use of facilities, supplies, equipment, and other property of the Employer; and
- (7) To introduce new or improved methods of operation or facilities.

2.2.1 Supervisory Limits

All of the work coming within the scope of this Agreement shall be done by members of the Bargaining Unit; however, nothing in this Agreement shall be construed to limit non-bargaining unit personnel from performing such work in order to meet the needs of the business under emergency circumstances or for purposes of giving training or instruction. Such supervisory work will not cause layoffs or part-timing of employees.

Section 2.3 Union as Sole Bargaining Agent

The Employer recognizes the Union as the sole bargaining agent for all classifications of employees covered hereby in respect to hours, wages and other conditions of employment.

Section 2.4 Union Shop

The Employer agrees that all employees covered by this Agreement will, as a condition of employment, within thirty (30) days of the date of this Agreement, or within thirty days after the employee's date of hire, whichever is later, become members of the Union or pay all dues, assessments or fees to the Union as required by the Union. The Employer agrees that only those employees covered hereby who remain in good standing in the Union should continue in its employ. As used in this article, "good standing" means that an employee is not in arrears to the Union for current dues, assessments or fees, including initiation fees.

Section 2.5 Good Standing with the Union

The Union may notify the Employer in writing that an employee covered by this Agreement is not in good standing with the Union, in that such employee is in arrears for current dues, assessments or fees, including initiation fees. The Employer will inform the employee of such notification and, unless the employee acquires good standing with the Union within a period of five (5) full workdays after being so informed by the Employer, the employee will be terminated. The Employer agrees to deduct Union dues, assessments and fees from the pay of its employees and pay to the Local Union 1547 such amount as is authorized in writing by the employee on a form acceptable to the Employer. The Employer agrees to make this deduction from each payroll check, and to send a check for the total amount to the Financial Secretary as designated by the Union on or before the fifteenth (15th) day of the following month, together with a list of every bargaining unit employee that shows for each employee (1) the employee's social security number, (2) the employee's last name, first name, and middle initial, (3) the amount of working dues, assessments or fees deducted, (4) the amount of monthly dues or fees deducted, (5) the employee's base working rate, (6) the number of hours compensated at straight time, and at the applicable overtime rate, (7) the total hours compensated, and (8) the employee's gross wages. This authority shall be revocable by the employee by notice in writing delivered by mail to the CEO of the Employer and the Financial Secretary of the Union once per year. The Union agrees that the Employer assumes no responsibility in connection with deduction of dues, assessments or fees except that of ordinary diligence and care in forwarding monies deducted as set forth in this Article. The Union shall indemnify the Employer and save the Employer harmless from any and all claims against the Employer based on this section or Section 2.4. Employer retains the right, at its option, to select and use its own counsel in any proceedings arising from this section where Employer determines there is a conflict between the interests of the Union and the Employer as follows: Employer shall provide the Union with a list of at least two (2) law firms that are acceptable to the Employer, and then the Union, in its sole discretion, shall select one of these law firms to act on Employer's behalf. If the Union provides indemnification under this section, the Union will pay a reasonable hourly rate for attorney services, and those costs and services that are reasonable and necessary for such defense.

Section 2.6 Union Access to Employer's Premises

Authorized representatives of the Union, while acting on Union business, will be permitted to visit the offices and other places of work of the Employer during working hours. The Union representative will schedule visits to a department, work site, or facility with the Vice President of Human Resources, or the Vice President's Manager or their designee. Before visiting an area where employees are working, the Union representative will, whenever possible, inform the supervisor responsible for the department which is to be visited. Members of the Union will be permitted to participate in Union meetings during their hours of work only as authorized by the CEO or the CEO's designated representative.

Section 2.7 Standards of Work

The Union agrees for its members who are covered by this Agreement that they will individually and collectively perform safe, efficient, and diligent service, and that they will use their influence and best efforts to protect the property of the Employer.

Section 2.8 Shop Stewards

Shop stewards who have been selected pursuant to the rules and regulations of the Union to represent the employees covered hereby will be recognized by the Employer. The number of stewards appointed shall be reasonably related to the needs of the Union to represent bargaining unit members. The names of the stewards will be furnished to the CEO of the Employer in writing before beginning their duties. An alternate shall act as the steward when appointed to do so by the Union and the Employer is so notified. The Employer recognizes that the stewards will be assigned their Union duties and responsibilities by the Union and pursuant to this Agreement. The stewards will cooperate with the Employer in securing compliance with this Agreement and, at the request of the CEO of the Employer, or of the CEO's duly authorized representative, will call to the attention of its employees any violations of this Agreement.

Stewards shall perform their assigned duties as an employee covered by this Agreement. Stewards will be given a reasonable amount of time by the steward's supervisor during working hours, and without loss of pay, to handle Union business pertaining to the steward's area of responsibility which could not reasonably be accomplished during nonworking hours. This business will be handled as expeditiously as possible and, except for matters taking only a few minutes, the appropriate management supervisor will be informed before a steward performs the Union business. A steward may, with permission from the management supervisor, use a company vehicle to pursue labor management problems during working hours. During outages and other emergencies, a supervisor has the right to require a steward to give priority attention to Employer's business. The steward will confine the steward's activities during working hours to those matters pertaining to this Agreement.

Stewards will not be terminated for any cause until the CEO of the Employer and the Business Manager of the Union have completed an investigation of such cause, provided that the investigation shall not last longer than fifteen (15) work days in cases not involving a reduction in force, and 48 hours in cases involving a reduction in force, without mutual agreement of the parties. In the event of a reduction in force involving a steward, the CEO for Employer and the Business Manager of the Union will meet at least 48 hours prior to the reduction in force to allow adequate time for the Business Manager to replace the steward; this section, in and of itself, does not obligate Employer to otherwise give the Union advance notice of a reduction in force. As used in this section, "shop steward" or "steward" includes alternate shop stewards, and "working hours" does not include meal and break periods.

Section 2.9 Leave to Accept Union Office

Any employee elected or appointed to an office of the Union which requires a part or all of the employee's time will, upon application, be given annual leave, insofar as such

employee may have accrued annual leave, or leave without pay. An employee who is on leave in order to discharge Union duties will continue to accrue service credit for a period not to exceed four (4) years. This Union leave may be extended by mutual agreement. This provision does not apply if an employee seeks leave solely to act as a candidate for Union office.

Section 2.10 Union Bulletin Boards

Employer will provide bulletin boards for use by the Union, at locations acceptable to the Union, for the purpose of posting Union notices and communications. Union bulletin boards will be provided with locks and keys, with keys kept by the stewards.

Section 2.11 Loan of Employees

The Employer will not lend the services of an employee covered by this Agreement, or cause such services to be loaned, except that in order to meet an emergency situation, the Employer may lend employees' services to any other electric utility. An employee shall be considered loaned when either of the following criteria is met:

- a) Supervision for employees' services in question is transferred to another electric utility.
- b) The work is performed for the sole benefit of another electric utility.

In the event the loan of employees becomes necessary, the Employer will notify the Business Manager or other authorized representative of the Union prior to loaning such employees or, if the emergency is urgent, as soon thereafter as practical. The employees will be covered under the terms of this Agreement while on loan.

Section 2.12 Hiring Procedures

The parties hereto recognize that the Employer is an equal opportunity employer within the contemplation of Title VII of the Civil Rights Act of 1964, as such statute has been implemented by one or more executive orders, and that Employer may be likewise a federal contractor within the contemplation of the aforesaid executive orders and required to pursue an affirmative action program with respect to equal opportunity for employment (ref: Executive Order 11246, as amended; Section 503 of the Rehabilitation Act of 1973, as amended; and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, 38 U.S.C. 4212, and their implementing regulations at 41 CFR Chapter 60). In order to ensure that Employer conforms in its hiring practices to the requirements of the law, federal, state and local, as implemented by executive and administrative orders and regulations, the parties mutually agree that neither Employer nor Union will discriminate against any person or persons on the grounds of race, religion, color, sex, age, or national origin with respect to recruitment, hire, promotion, demotion, termination, lay-off, transfer, compensation, selection for training, or otherwise, so as to deny such person or persons equal employment opportunities.

Section 2.13 Contracts and Subcontracts for Office & Engineering Work

It is understood and agreed that the function of Sections 2.13 through 2.13.3 is not in any way intended to limit or restrict the ability of the Employer to do business with other employers, but rather, these provisions are designed and intended to preserve work for employees whose wages, hours and other terms and conditions of employment are prescribed by this Agreement.

2.13.1 Erosion of Work Force

No regular employee shall be laid off, terminated, or discharged by the Employer as a result of the Employer's subcontracting any work historically or normally performed by bargaining unit employees. The Employer agrees that it will not contract out or subcontract work for the underlying purpose of eroding the size of the bargaining unit.

2.13.2 Warranty Work

The Employer may without penalty contract out work involving the installation, troubleshooting and/or repair of equipment, systems and apparatus if required by the terms of a manufacturer's or supplier's warranty. If skills new to the bargaining unit are used, the Employer will continue its existing practice of assigning at least one bargaining unit employee to assist with such warranty work as training that will facilitate work the bargaining unit employees will, with reasonable probability, do later.

2.13.3 Dispute Resolution

The parties shall not enforce Sections 2.13.1 through 2.13.3 of this Agreement by means of slowdown, picketing, strikes or lockouts. In order to avoid unnecessary disputes over the application of this Article, the Union shall be given reasonable advance written notice of any preliminary decision to contract or subcontract work covered by Sections 2.13.1 through 2.13.3. Before the Employer may award any contract or subcontract (including task order contracts and unit price contracts) or assign any work of work covered by Sections 2.13.1 through 2.13.3 (engage in subcontracting activities), the Union shall be given an opportunity within the next five business days following the date of notice to meet with the Employer for the purpose of discussing whether the proposed action is in compliance with this Article. If mutual agreement cannot be reached within that time frame, the matter shall proceed to Step 3 of the grievance procedure if the Union so elects and the Employer will not refuse to arbitrate subcontracting grievances on the basis that they are illegal. If either party should refuse to arbitrate a contracting dispute, that party will be liable for the other side's attorney's fees and costs incurred in obtaining an order compelling arbitration. The discussion provisions of this section shall not apply to emergency work, task orders issued under task order contracts, individual jobs issued under a unit price contract, contracts or subcontracts in an amount of \$50,000 or less, professional services, or in cases where work is bid under the OELCC and there are no pre-qualified non-union contractors. In addition, the notice requirement shall not apply to emergency work. The exemption of the foregoing categories of work from the notice and discussion provision of this section in no manner limits or impairs any rights the IBEW has to file and process grievances as to such work.

Section 2.14 Employee Access to Personnel Record

Employees shall have access to their personnel records in the Human Resources Department at any reasonable time in the presence of the Vice President of Human Resources or designated representative from the Human Resources Department. The employee will receive a copy of any disciplinary letters or of any material placed in this file which may lead to disciplinary action. The employee's personnel file in the Human Resources Department will be secured (locked) and will be accessible only to designated employees in the Human Resources Department, the employee's immediate supervisor and supervisory/managerial personnel in the direct chain of command. All other persons are barred from employee personnel files without the employee's written consent, except as provided by law.

Section 2.15 Performance Appraisals

Performance appraisals are intended to communicate to employees how well they are meeting job expectations. Performance appraisals are not considered discipline and will not be used as a substitute for discipline.

Every year following an employee's date of hire, all employees covered by this Agreement will receive a performance appraisal consistent with the Performance Appraisal Procedures established by mutual agreement between Employer and Union. The parties will exercise due diligence, including the concept of interest-based bargaining, when establishing the Performance Appraisal Procedure or subsequent changes thereof. This language will be included as part of each Performance Evaluation form.

The performance appraisal will be signed and dated by the appraiser(s) and appropriate manager reviewer and a copy will be provided to the employee. The employee will sign the performance appraisal to acknowledge receipt.

2.15.1 Performance Appraisal Procedures

- a) <u>Purpose</u>: Performance appraisals must be fair and statements in the appraisal must have a factual basis and must be related to the essential functions of the employee's job. Rating standards shall be uniformly and consistently applied by the appraiser(s).
- b) <u>Forms</u>: Employer shall devise forms to be used by supervisors in preparing performance appraisals for bargaining unit employees. The Union shall be provided with the opportunity to review the forms, or any changes in the forms, and shall have up to fourteen (14) calendar days in which to provide its input on the forms, or changes thereto prior to their use and implementation by Employer.
- c) <u>Performance Monitoring</u>: The appraiser will actively monitor the employee's

performance during the rating period. Throughout the period, the supervisor will discuss the employee's performance with the employee and shall contemporaneously reinforce good performance and correct poor performance.

- d) <u>Preparation</u>: Appraisals shall be written by the management supervisor who directly supervised the employee for the evaluation period. An employee may have an appraisal prepared jointly by more than one management supervisor if the employee reported to more than one supervisor during the evaluation period.
- e) <u>Timeliness</u>: The appraisal shall be completed and discussed with the employee within sixty (60) calendar days of the employee's anniversary date, except in instances where the employee is unavailable. If an employee's appraisal is not timely prepared, the employee's performance shall be considered satisfactory.
- f) <u>Performance Appraisal</u>: In the performance appraisal, employees will be told how they are doing, why they are doing well or poorly, and what can be done to improve or maintain their performance.
- g) <u>Employee Response</u>: As part of the appraisal process, the employee shall have the right to discuss the appraisal with the appraiser(s) and to comment on it without fear of reprisal; the Employer may reconsider and revise the appraisal in light of the employee's comments. The employee may also submit a written response to the appraisal within five (5) working days of receipt of the evaluation; if the employee does so, the response shall become a part of the appraisal, and the entire appraisal shall be retained in the employee's personnel file maintained by the Employer.
- h) <u>Plans for Improvement</u>: If an appraisal includes areas of less than satisfactory performance by an employee, the appraiser(s) shall, within fourteen (14) calendar days from the time the performance appraisal is provided to the employee, develop a plan for improvement that: 1) describes specific activities to be undertaken by the employee to improve performance; and 2) a specific time frame for improvement. This plan for improvement shall be discussed and clarified with the employee at the time the employee receives the improvement plan and shall be considered part of the appraisal process. At the request of the employee, a Union representative may be present during this discussion.

ARTICLE 3

Appointment and Tenure

Section 3.1 Designation of Employees

All employees hereunder are designated in writing by way of payroll action as either Regular Full-Time, Regular Part-Time, Probationary, or Temporary. Payroll Action History forms will be given to the shop steward within five (5) days of action or change and will include employee name, date of action, reason for action, original date of hire, rehire date, department, designation (as defined in this section) location, salary plan, salary grade, salary step, job code, new base rate of pay, longevity rate, compensation rate, previous base rate, previous longevity rate; previous compensation rate.

3.1.1 Regular Full-Time Employees

Regular employees are those employees who have successfully completed their probationary period and are employed full-time by the Employer.

3.1.2 Regular Part-Time Employees

Regular part-time employees are those employees who have successfully completed their probationary period and are employed in positions where the work involved will total less than thirty-two (32) hours per week. Such work may be of an irregular nature such as short shifts at various times and on various days of the week. The number of part-time employees shall not exceed 20% of the total of regular full-time employees covered under this Agreement unless mutually agreed, in writing, by Employer and Union.

- **3.1.2.1** All employees working the part-time schedule shall be considered regular part-time employees and shall accrue seniority from the last uninterrupted date of hire.
- **3.1.2.2** Work of an irregular nature that is to be performed as described in Article 3.1.2 shall be in eight (8) or four (4) hour increments.
- **3.1.2.3** Regular part-time employees shall receive the same benefits as regular employees with Health and Welfare exceptions as described in 3.1.2.4. The employee's annual leave accrual and holidays (including floating and birthday) shall be prorated based on the employee's normal work schedule. An employee who works less than twenty-four (24) hours per week will receive four (4) hours pay for each observed holiday. An employee who works at least twenty-four (24) hours up to thirty-two (32) hours per week will receive six (6) hours pay for each observed holiday. An employee who works thirty-two (32) hours or more per week will receive eight (8) hours pay for each observed holiday. This same formula will apply to bereavement leave, jury duty and all other compensated leave.

Holiday pay will be provided in the appropriate hourly amount on the day observed and will not be adjusted because of a difference in the amount of hours an employee normally works on that particular day. For example, if a half-time employee normally works eight (8) hours on Monday, and the holiday falls on Monday, the employee will only receive four (4) hours holiday pay. However, if an employee does not normally work on Friday, but a holiday is observed on Friday, the employee will receive four (4) hours pay even though they do not normally work on that day. The intent is that a part-time employee working half-time will receive twelve (12) four (4) hour paid holidays per year versus the twelve (12) eight (8) hour paid holidays that a full-time employee receives.

- **3.1.2.4** Regular part-time employees who have worked ninety-five (95) or more hours in any one month period shall be enrolled in the Alaska Electrical Health and Welfare Fund for the following month. For regular part-time employees who have worked less than ninety-five (95) hours per month, the Employer shall pay one-half (1/2) of the premium amount currently in effect for regular employees so long as the employee maintains eligibility through the self-pay provisions to the Trust.
- <u>3.1.2.5</u> Regular part-time employees shall be paid at the rates established for regular employees in their respective classifications.

3.1.3 Probationary Employees

A probationary employee is one who has been hired by the Employer for regular employment, but who has less than ninety (90) calendar days continuous service with the Employer. All employees hired to fill a regular job will be regarded as probationary employees for the first ninety (90) days. During this period of probationary employment for a newly hired employee, employees may be laid off, or discharged by the Employer at the Employer's discretion and such actions shall not be subject to Article 9. This time may be extended by mutual written agreement between Management and Union.

3.1.5 <u>Temporary Employees</u>

A temporary employee is one who has been hired by the Employer for occasional workload, employee absences or special projects as outlined below:

- a) <u>Occasional Workload</u> not to exceed thirty-six (36) weeks in a twelve (12) month period commencing on the employee's date of hire.
- b) <u>Employee's Absences</u> (medical/disability, personal leave, worker's compensation) may be kept for the duration of the absence.

- c) <u>Special Projects</u> may be kept for the duration of the project by mutual written agreement by the Employer and Union.
- **3.1.5.1** Temporary employees will not be hired to replace regular employees or hired to avoid promoting or filling a position that has been vacated by regular employees or that has been newly created. Temporary employees will be used only to augment the current workforce, and not be used in lieu of. Temporary employees will be subject to wages, benefits and applicable work rules in this Agreement, except as provided below.
 - **<u>3.1.5.1.1</u>** A temporary employee shall not accrue seniority;
 - **<u>3.1.5.1.2</u>** A temporary employee shall not accrue annual leave;
 - **<u>3.1.5.1.3</u>** A temporary employee shall not receive jury duty pay;
 - <u>3.1.5.1.4</u> A temporary employee shall not receive worker's compensation supplement;
 - **<u>3.1.5.1.5</u>** A temporary employee shall not receive life insurance;
 - <u>3.1.5.1.6</u> A temporary employee shall not receive pension/annuity;
 - <u>3.1.5.1.7</u> A temporary employee shall not receive Birthday or Floating Holidays.
 - **3.1.5.1.8** Temporary employees, who have at least ninety (90) calendar days of continuous service with the Employer, shall receive holiday pay for the fixed holidays recognized by this Agreement, provided the employees are in pay status the day before and the day after the day on which the holiday is observed.
- **<u>3.1.5.2</u>** Temporary employees, who have worked twelve (12) consecutive weeks shall be enrolled in the Alaska Electrical Health and Welfare Fund under the same Health and Welfare plan as regular employees for the following month.
- **3.1.5.3** An employee whose temporary employment is extended beyond twenty-four (24) weeks will receive all benefits afforded to regular employees.

3.1.6 Transfer of Temporary Employees to Probationary or Regular Status in Same Department

Any employee hired as a Temporary may be awarded or transferred to Probationary or Regular status. If the employee, on the date of accepting the award or transfer, has not been employed for ninety (90) consecutive days, he will be transferred to probationary status and the time accrued from his Temporary hire date will be considered part of the probationary time period.

<u>3.1.7</u> <u>Transfer of Temporary Employees to Probationary or Regular</u> <u>Status in Different Department</u>

A temporary employee awarded a regular position who has not worked as a temporary employee in that department will undergo a sixty (60) day probationary period upon award of the regular position. The time spent in another department as a temporary does not count towards the probationary period for the regular position.

Section 3.2 Reassignment of Regular Employees

Regular employees may be temporarily assigned to another job classification. All intradepartmental reassignments shall be made by the department manager. Intradepartmental reassignments will not be utilized to avoid filling a vacancy or newly created position. All inter-departmental reassignments of thirty (30) calendar days or more shall be posted as a Notice of Interest.

Section 3.3 Cross-Training of Regular Employees

Regular employees may be assigned to different job classifications for cross-training purposes. Cross-training is defined as a non-biddable reassignment under the direction of an incumbent which occurs intra-departmentally for back-up purposes or for career pathing within a progressive classification.

Section 3.4 Vacancies and Newly Created Positions

The following procedure will govern job posting, bidding, selection and award, for all job classifications covered by this Agreement.

<u>3.4.1</u> Postings

For the purpose of providing every regular employee covered by this Agreement with an opportunity to bid on posted vacancies or temporary positions, the Employer will make a reasonable effort to notify all regular employees of posted vacancies, including those on approved leave, provided that employee has left an address or phone number where the employee can be contacted. Chugach will re-post Vacancy Positions in-house every four (4) months when a vacancy to be filled has not been filled by way of the posting/bidding process (in that order). This timeframe may be extended by mutual agreement between the parties. Re-posting will only be required if a qualified applicant from outside the Company is not hired to fill the position.

3.4.1.1 Regular Position

Any vacant or newly created position covered by this Agreement which is to be filled shall be posted for bidding within ten (10) working days after the vacancy or opening occurs. Posting shall state details and qualifications applicable to the position and the posted requirements shall be in conformance with established job descriptions.

3.4.1.2 <u>Temporary Position (Notice of Interest)</u>

Any inter-departmental temporary reassignment, temporary job or position created to augment the work force, thirty (30) calendar days or longer, will be posted as a Notice of Interest for three (3) working days to permit employees to express interest. Selection will be made at the discretion of the Employer after close of posting period. The parties understand that such temporary positions can be significant training opportunities for employees interested in broadening their skills and abilities. A good faith effort will be made by the Employer to fill as many of these positions as possible with regular employees seeking such training opportunities.

3.4.1.2.1 Intra-departmental temporary reassignments and temporary Consumer Services Representatives I (grade 5) positions need not be posted.

3.4.2 Bidding

Any regular employee covered by this Agreement may within five (5) working days from the date of job posting present in writing the employee's bid documents to the Vice President of Human Resources or designee. An employee on approved leave may either present written bid documents prior to beginning leave or ensure submittal within the five (5) day posting period. Bid documents will include all information required by the posting.

3.4.2.1 Bid to Lower Classification

If an employee voluntarily bids into a lower pay classification, the employee will be paid at the lower pay rate.

3.4.2.2 Typing Test Requirement

Any regular full time or part-time employee who bids on a position that requires the same or lesser net words per minute than the employee's current position, there will be no typing test required. If an employee bids on a position that requires a higher number of net words per minute than the employee's current position, a typing test will be required that must be current within the immediately previous six month period. These requirements are applicable when an employee bids for any position whether full-time or part-time.

Only Employer administered typing tests will be acceptable as proof of net words per minute. Typing tests must be submitted prior to the closing date of the bid. Only two typing test will be allowed during the 5-day period of job bid posting.

3.4.3 Bid Committee Selection

Within five (5) working days after the closing date of the posting a committee composed of two representatives from the Bargaining Unit (selected by appropriate shop steward) and two from Employer will meet to review the bids. The Senior Vice President will not sit on the Bid Committee.

Qualifications of bidders who are regular employees covered by this Agreement will be evaluated by the Bid Committee. All qualified bids will then be considered by the Committee to determine who is most qualified to perform the work in accordance with job posting requirements on the basis of:

- a) official transcripts or documented education
- b) job related training and knowledge
- c) quality of past performance
- d) attendance and punctuality

Where bidders are equal in qualifications, seniority shall prevail. The Bid Committee will use due diligence, including the concept of interest-based bargaining, when examining applicants and must exercise a systematic scoring and evaluation process that is consistent with past practice. Additionally, the Bid Committee may request interviews of applicants, supervisors and other applicable resources.

It is the obligation of the Bid Committee to reach a decision and that decision shall be final, except as provided in 3.4.4 and 3.4.4.1.

<u>3.4.4</u> Job Award

Within ten (10) working days the Senior Vice President will review the Bid Committee selection. In the absence of overriding circumstances the Senior Vice President will accept the recommendation of the bid committee. If the Senior Vice President does not accept the recommendations of the Bid Committee, the Senior Vice President shall inform the Bid Committee of the reasons in writing and the Bid Committee will reconvene. After the bidders have been notified, the Employer will promptly announce the job award.

The successful bidder shall receive the rate of pay for the position awarded effective no later than the sixth (6) working day following the closing date of the job posting, provided the employee is able, on that day, to assume the position awarded.

<u>3.4.4.1</u> Should an employee believe they were passed over without justification, the employee may file a grievance and follow the procedures as provided in Article 9, Grievance Procedure.

3.4.5 Job Award in the Event of No Qualified Bidders

If no bidders are deemed qualified, the Employer may seek qualified applicants from other sources including temporary employees, probationary employees and employees covered under other Chugach Collective Bargaining Agreements. The Employer will notify the Union when it seeks applicants for job openings not filled through the bid or notice of interest procedure. The Union will make available to the Employer a pool of applicants that the Employer may consider. The Union shall maintain a hiring hall and refer qualified applicants to the Employer when requested. The Employer agrees to use the hiring hall to obtain qualified workers necessary to fill classifications covered by this Agreement. If the Employer rejects an applicant for not meeting the qualifications, the Employer will provide the reason(s) for rejection to the Union upon request.

- 3.4.5.1 When the Employer requests qualified applicants from the Union, the Union shall have seventy-two (72) hours (excluding Saturday, Sunday, and recognized holidays) to refer qualified applicants to the Employer. The time period may be extended or shortened by mutual agreement. If the Union does not refer any qualified applicants within the time allotted above the employer may hire by any other means.
- <u>3.4.5.2 The Employer shall have the right to reject any job applicant referred</u> by the Union. If the Employer rejects an applicant, the Employer shall immediately notify the Union in writing by noting same on the introductory form presented by the applicant.

3.4.6 Bid-Trial Period

Regular employees awarded a bid to another position may undergo up to a sixty (60) calendar day trial period to be determined by the bid committee. Any employee who successfully bids and fails the trial period shall return to the previous position and rate of pay, if a vacancy remains. If no vacancy exists in the previous position the employee shall be assigned a position by the Employer at the same rate of pay as the position occupied prior to the bid.

Section 3.5 Engineering Proficiency Exam

To advance from Designer I to Designer II and Designer II to Designer III an Engineering Proficiency Exam Committee comprised of an equal number of management and bargaining unit employees will prepare and administer a proficiency exam. The exam will be given during the months of April and October provided there are eligible applicants. To qualify to take the exam the employee must meet all qualification requirements of the applicable position description (Designer II or III) before April 1 or October 1. Any disputes regarding an employee's qualifications will be resolved through the Bid Committee process. It is the employee's responsibility to turn in a written request to take the exam, which includes qualifications, to the employee's supervisor. This request must be made no less than two (2) months prior to April 1 to October 1. Employer will provide written notification of employee's eligibility to take the exam within thirty (30) calendar days of receiving the request.

The Engineering Proficiency Exam Committee will review the exam results with the employee as soon as the time permits. A score of 70% or higher is required to pass the exam. An eligible employee who passes the exam on the first attempt will receive compensation for the higher classification retroactive to the employee's date of eligibility, but in no instance more than six (6) months. Thereafter, an employee who passes the exam will be promoted and receive compensation for the higher classification retroactive to the date the exam was taken.

If an employee fails the exam three (3) consecutive times, the employee must wait twelve (12) months to retake the exam. If the employee fails the exam on the fourth try, the employee will again be required to wait twelve (12) months to retake the exam and twelve (12) months for each unsuccessful attempt thereafter. However, if an exam is offered to another qualified employee during the twelve (12) month waiting period, the employee shall be allowed to retake the exam.

Section 3.6 Member Services Proficiency Exam

To advance from Consumer Service Representative I (Grade 5) to Consumer Service Representative II – Alternate Work Schedule Classification (Grade 6) the Employer will prepare and administer a proficiency exam to be given once during the months of April and October. The Employer will be responsible for the examination process, with the appropriate shop steward providing input regarding exam content. To be eligible to take the exam the applicant must meet all qualification requirements of the Consumer Service Representative II - Alternate Work Schedule (Grade 6) position description and have been employed at Chugach as a Consumer Service Representative for at least six (6) months. An employee who passes the exam with a 70% or higher will be promoted to and receive compensation for the Grade 6 position no later than six (6) working days from the date the exam is taken.

An employee who does not pass the exam may take it again the next time it is offered. If an employee fails the exam three (3) consecutive times the employee must wait twelve (12) months before taking the exam again. If the employee fails the exam on the fourth try, the employee will again be required to wait twelve (12) months to retake the exam and twelve (12) months for each unsuccessful attempt thereafter.

Section 3.7 Service Credit

Service credit for regular and regular part-time employees is defined as the total calendar days of employment from the last date of hire. Total calendar days shall include

uninterrupted probationary time and/or temporary time, time in non-bargaining unit positions, authorized leave and authorized leave without pay. Service credit is used for the continuation of certain benefit accrual(s) when transferring from non-bargaining to bargaining unit positions or when transferring from other Chugach bargaining unit Agreements.

Section 3.8 Seniority

Seniority is the total service credit which the employee has with the Employer since the employee's last uninterrupted date of hire within Chugach's bargaining units. When more than one employee is employed on the same day, the employee with the earliest birth date (year, month, and day) will have the greatest seniority.

A list reflecting the relative seniority status of each employee covered hereunder will be available to the shop steward. The Employer will keep such seniority list current.

Section 3.9 Termination of Seniority

The seniority of an employee will terminate under any of the following conditions:

- a) When a regular employee is laid off, except that if the employee is re-employed as a regular employee and the employee's service break is twelve (12) months or less, seniority will accrue uninterrupted to original date of hire.
- b) When the employee resigns.
- c) When the employee is discharged for just cause.
- d) When an employee transfers to a non-bargaining unit position.

Section 3.10 Reduction-in-Force

Whenever a reduction of the work force is required in any job classification within a department, temporary employees will be laid-off before regular employees. Regular employees will be laid off in reverse order of seniority. Prior to a reduction in force, the Employer agrees to inform the Union in advance of its intentions. All regular employees to be laid-off shall receive:

- a) two (2) weeks notice of such action by the Employer; or
- b) two (2) weeks basic wages and laid-off immediately.

In either event, an employee with five (5) or more years of service credit will receive an additional lay-off allowance of two weeks basic wages.

The reverse seniority and advance notice provisions above do not apply to temporary employees.

3.10.1 Replacement

The employee to be affected, may at the employee's own discretion, replace another employee of less seniority in the employee's own or another department of equivalent or lower classification, provided the position description qualifications are met. The employee receiving the reduction-in-force notice has five (5) working days to announce the employee's decision to leave or replace a less senior employee in a specific position. Employees who choose to replace another employee in the same grade level will remain at their same rate of pay. An employee entering a lower classification will receive the lower grade level pay. Step increase progression will continue uninterrupted.

3.10.2 Recall

Laid-off employees shall have re-employment rights to vacant or new positions by order of seniority for twelve (12) months, provided the position description qualifications can be met, and the employee has provided a current address or telephone number to the Employer. If the employee does not return within fourteen (14) calendar days of recall, or make alternative arrangements satisfactory to the Employer, the Employer will have fulfilled its obligations to the employee as regards to recall from layoff. Recalled employees returning to their previous grade level will return at their same rate of pay. If an employee returns to work in a lower grade level, the employee will receive the lower grade pay. Step increase progression and the annual leave accrual rate will resume where it left off at the time of termination.

ARTICLE 4

Leave and Holidays

Section 4.1 Annual Leave

1. A regular employee will earn annual leave at the rate of:

1 st year	160 hours per year
2 nd year	176 hours per year
3 rd year	192 hours per year
4 th year	208 hours per year
5 th year	240 hours per year
per annum	of active and continuous service.

Except for prior written approval of an employee's Senior Vice President, or other person designated in writing by the Employer, no employee shall be allowed to take more than four hundred eighty (480) hours of annual leave at one time. Accrued annual leave hours will be shown on each paycheck.

2) Leave available for cash-in-lieu (cash-out): Effective July 1, 2020

- a. Employees with 640 total annual leave hours or less on that date will be capped at 640 hours; and,
- b. Employees with more than 640 total annual leave hours on that date will be capped at the number of total annual leave hours accrued by that employee as of that date. For employees whose annual leave cash-out cap is greater than 640 hours as of July 1, 2020, should the employee' s total leave hours ever drop to 640 or less, 640 hours will be their new cap.
- c. If subsequent annual leave is accrued in excess of the employee's cap, those hours can be used for leave time and may not be used for cash-in-lieu of leave. If an involuntary separation of employment occurs and the employee has unused annual leave in excess of their personal cap those hours will be cashed out.
- d. Cash-in-lieu (cash-out) will be limited to not more than 640 per year; unless the bargaining unit member's individual cap from (b) above is higher. However, in a year in which a separation of employment occurs, a bargaining unit member who has cashed out up to 640 hours or the bargaining unit members personal cap in that year can also cash out remainder of their leave up to 640 hours or the bargaining unit members personal cap upon separation.
- 3) Employees may not retire directly from leave.
- 4) Effective with the Date of Closing, all non-cash leave benefits from the ML&P contract will be discontinued.

Section 4.2 Scheduling of Leave

The Union and Employer agree that leave for employees should be scheduled in advance to allow the Employer to efficiently meet its business needs. Thus, leave will be scheduled and approved in advance through a Twelve (12) Month Annual Leave Schedule and through Incidental Leave Requests. The Employer shall determine the number of employees allowed to be on leave at any one time by department, section or work unit. Such leave will be granted if, in the opinion of the Employer, its operations will permit.

In the event that the employee's schedule changes and leave which has previously been approved needs to be rescheduled, the employee will notify the employee's supervisor as soon as possible. If the rescheduled leave poses a conflict with the Twelve (12) Month Annual Leave Schedule it shall be treated as an Incidental Leave Request.

After leave has been approved, it shall not be cancelled if a person with more seniority in the department, section or work unit then applies for the same time.

4.2.1 Twelve (12) Month Annual Leave Schedule

A Twelve (12) Month Annual Leave Schedule covering the period March 1 through the last day of February of the following year will be circulated by department, section or work unit prior to March 1.

4.2.1.1 Initial Circulation

Employees will only be approved for one continuous block of leave for each circulation and once approved, the employee may take up to the total days of leave requested. Leave time can only be placed on the Twelve (12) Month Annual Leave Schedule if that period of time can reasonably be accrued prior to the taking of that leave with the exception of the first 80 hours of approved leave without pay as defined in section 4.8.1 a. When the Twelve (12) Month Annual Leave Schedule contains more than one person, an appropriate seniority list will be attached and circulated first to the most senior person and then to other persons in seniority order.

4.2.1.2 Additional Circulations

When all persons on the seniority list have had an opportunity to select one annual leave period, a second and third circulation of the schedule shall be made in seniority order for the purpose of employees selecting other non-conflicting periods in the same manner.

4.2.1.3 Approval/Disapproval

Written approval or disapproval of the Twelve (12) Month Annual Leave Schedule shall be made within ten (10) working days after March 1. Both the Union and the Employer agree that both parties shall take all reasonable action to compensate for the employees absence. Written disapproval of leave shall include the reasons why leave has been disapproved.

4.2.1.4 Employees Absent During Circulation

If an employee is unavailable to complete the Twelve (12) Month Annual Leave Schedule, the Employer will make a reasonable effort to notify the employee of the schedule circulation. If non-responsive to the Employer's efforts the employee will submit leave requests as Incidental Leave upon return to work.

4.2.2 Incidental Leave Requests

- a) Leave requested outside of the Twelve (12) Month Annual Leave Schedule will be submitted as an Incidental Leave Request.
- b) Leave requests made after March 1, for periods of more than five (5) working days, will be submitted at least ten (10) working days prior to commencement. Written approval or disapproval of this leave shall be made within five (5) working days after the request has been received.
- c) Leave requests made after March 1, for a period of five (5) working days or less, will be submitted at least three (3) working days prior to

commencement. Written approval or disapproval of this leave shall be made within two (2) working days after the request has been received. Incidental Leave Requests will be granted if, in the opinion of the Employer, its operations will permit.

d) Otherwise, such requests will be granted as soon thereafter as practicable. The Employer may waive the advance notice requirement.

4.2.3 Leave Requests Less Than Eight (8) Hours

Incidental Leave Requests may be granted in units of less than eight (8) hours if approved by the Employer.

Section 4.3 Leave for Voting

An employee desiring to vote in a federal, state, or municipal election may do so, provided that the employee is eligible to vote in the particular election for which the employee requests the time off and that the employee can reasonably be spared from the employee's duties. The Employer may schedule voting time throughout the day; provided, however, that employees scheduled to vote just prior to the end of their scheduled workday will be given one (1) full hour. Absence from work for voting time shall be charged against annual leave.

Section 4.4 Emergency Leave

In emergencies such as serious illness or other grave personal problems which, in the opinion of Employer merit such consideration, annual leave will be granted immediately, provided that the employee states the reason for requesting such leave. If accrued annual leave is exhausted, the Employer may grant leave without pay under Section 4.8. The Union will cooperate with the Employer to insure to the maximum extent possible that consideration given to emergency requests for annual leave are not abused. Employees will make every reasonable effort to notify the employer in a timely manner of the need to be absent because of an emergency.

Section 4.5 Sick or Disability Leave – Non Work Related

When illness or the need of medical attention requires that a regular employee be absent from regularly scheduled work three (3) or more consecutive days, commencing after the third day, leave without pay shall be granted by the Employer at the request of the employee. Otherwise, his absence will be charged to annual leave to the extent that such employee has accrued annual leave with the Employer. Such leave will not exceed one (1) year if the employee had less than five (5) years of service credit at the start of such leave, nor exceed two (2) years if the employee had five (5) years or more service credit at the start of such leave. The one and two year caps on leave without pay noted above shall be calculated on a cumulative basis using a rolling five (5) year period.

4.5.1 Pregnancy Leave

Employees who are disabled as a result of pregnancy, child birth, or a related medical condition, shall be granted the same consideration as an employee having any other disability.

Section 4.6 Parent Leave

An employee who becomes the parent of either a new-born or adopted child may take up to eight (8) consecutive weeks of annual leave or leave without pay. Leave taken under this section must begin no later than four (4) months after birth or adoption of the child. All accrued annual leave in excess of forty (40) hours will be taken prior to commencing leave without pay with the exception of the first 80 hours of approved leave without pay as defined in section 4.8.1 a. Whenever possible, parent leave shall be requested at least ninety (90) days in advance.

Section 4.7 Military Leave

An employee absent from the employee's employment in order to discharge military service required by law will be granted leave without pay for the period of such service or, at the employee's option, annual leave to the extent such leave has been accumulated.

Section 4.8 Leave Without Pay

4.8.1 Use of Leave Without Pay

- a. <u>Approved Leave Without Pay, (Incremental)</u> Employees may take leave without pay. The first 80 hours per calendar year of Approved Leave Without Pay (ALWOP) may be granted at the discretion of the Supervisor upon application and consistent with the provisions of Annual Leave in this Agreement. This leave may be taken even if the employee has an annual leave balance.
- b) <u>Approved Leave Without Pay</u> Leave without pay, not to exceed sixty (60) days in any one (1) year, may be granted at the discretion of the Employer upon application but leave without pay will not be granted to any employee until the employee has used all accrued annual leave, except as otherwise provided in this Agreement. The employee will continue to earn service credit with the Employer during the time the employee is on approved leave without pay status. This section will not apply to leave without pay for employees entering Union service, nor to leave without pay for medical reasons, which are covered elsewhere in this Agreement.

c)

<u>Unapproved Leave Without Pay</u> - To prevent abuse of leave without pay, whenever an employee who has exhausted all annual leave in the calendar year has used unapproved leave without pay for routine, incidental absences in excess of forty (40) cumulative hours in that year, the employee will be responsible for paying the pro rata share of monthly health care premiums paid by the Employer on any subsequent unapproved leave without pay in that calendar year. The employee's pro rata share will be paid by payroll deduction.

4.8.2 Notification

If an employee seeks leave without pay under this section for a period of over five (5) working days, and requests the leave at least ten (10) working days in advance, the Employer shall give written approval or disapproval of the leave request within five (5) working days after the request is received. If the Employer turns down a request for leave without pay, the Employer will advise the employee whether, in the opinion of the Employer, the employee may take the leave at a later time.

Section 4.9 Other Employer Reimbursed Leave

4.9.1 Bereavement Leave

In the event of a death in the immediate family, an employee shall be granted five (5) working days paid leave of absence for purposes of attending the funeral, attending the burial, or dealing with the immediate grief caused by the death. Such leave will not be used as a reduction of the employee's accrued annual leave and may not be banked for future use. Employees will make every effort to notify the Employer in a timely manner of the need to be absent because of bereavement leave and, upon returning from such leave, will confirm the reason the leave was taken on a form provided by the Employer. The term immediate family is defined as the following and applies both to the family of the employee and of the employee's spouse: child (including foster child and step-child), spouse, sister, brother, parents (including foster parents and step-parents), and grandparents.

4.9.2 Jury Duty Absence and Work Related Subpoena

An employee shall promptly inform the employee's supervisor when the employee receives a summons for jury duty. If an employee is absent from work on a regularly scheduled workday in compliance with a summons for jury duty, or is subpoenaed to appear because the employee's presence was directly related to the discharge of duties with Employer, such employee will be administratively excused with pay for the period that the employee's absence for such duty is necessary. The employee will be paid the applicable straight time, day rate, less the difference between any jury fee received by the employee and any parking fee paid by the employee. No shift premium or overtime will be paid for jury duty. No charge against annual leave will be made for absence from work in compliance with a jury summons or subpoena referred to above.

Shift workers shall be assigned to day shift Monday through Friday when serving. For each day while on jury duty, the employee shall obtain from the clerk of court a note indicating when the employee is released from jury duty; if two (2) or more hours remain in the work day, excluding a lunch break if the employee did not receive such a break during jury duty, the employee shall return to work as soon as is reasonably feasible.

4.9.3 Leave for Blood Bank Donations

Employees who volunteer in an emergency to donate blood shall be excused and

compensated at their regular straight-time rate for travel time and actual time spent donating.

Section 4.10 Work-Related Injury Absence

4.10.1 Worker's Compensation

If a regular employee is absent from work because of an injury which is compensable under the worker's compensation laws, or any other applicable law, the employee will continue to earn service credit until such credit is terminated by mutual agreement of the parties, or at such time as the compensation claim has been fully settled, whichever is earlier. Employee shall furnish Employer with a statement from a medical doctor certifying that the employee's absence was necessary for medical reasons and a statement certifying that the employee is able to return to work. When an employee is on worker's compensation, the employee shall continue to accrue annual leave. Pension contributions shall be made on a regular employee's behalf up to a maximum forty (40) hours of compensation per week for each week the employee receives supplemental payments in addition to worker's compensation pursuant to Section 4.10.2, with pension contributions capped at a maximum of twenty-six (26) weeks.

4.10.2 Payment in Addition to Worker's Compensation

The Employer will pay weekly to any employee disabled in Employer's employment a sum equal to the difference between the total amount of compensation to which the employee is entitled under the Alaska Worker's Compensation Act and/or under any other disability insurance program in which Employer may participate, and seventy-five percent (75%) of the total wages to which the employee would have been entitled, computed at the straight time rate for the employee's regularly scheduled hours of employment, had the employee been on active employment; provided, all such payments in lieu of wages shall be limited to the period for which the employee is entitled to disability compensation, but not to exceed a total of twenty-six (26) weeks; and provided, further, Employer may require the employee to furnish satisfactory evidence of the sums received as disability compensation and medical evidence justifying the employee's continued receipt of such disability compensation.

4.10.3 Certification Upon Return to Work

Each employee, upon returning to work, will provide the Employer with a physician's statement authorizing such return and stating work limitations required, if any. After returning to work, if the employee is observed to have problems in performing the employee's job, the employee may be requested to return to the employee's treating physician for a written evaluation of work that may be safely performed, and time required for this evaluation shall be considered as hours worked. Employer agrees to provide the treating physician, prior to this evaluation, with a written description of the physical requirements of the job.

Section 4.11 Notice of Absence

If an employee is unable to report to work due to illness or disability, the employee will make every reasonable effort to notify Employer by either personally notifying the employee's supervisor or by leaving a message on the company voice mail of the employee's supervisor prior to the start of the employee's regularly scheduled shift.

Section 4.12 Medical Verification

If an employee takes annual leave or leave without pay because of claimed illness or need of medical attention, the Employer may require the employee to provide the Employer with a statement from a medical doctor certifying that the employee's absence was necessary for medical reasons in cases of suspected abuse of leave. Additional statements by a medical doctor may be required by the Employer in the case of extended illness or disability. The employee shall receive one (1) hour compensation at the straight time rate (not counted as hours worked). The employee shall be reimbursed for physicians' charges not covered by the employee's insurance upon submission of all relevant documentation.

Section 4.13 Holidays

The days listed below will be recognized as paid holidays:

New Year's Day Memorial Day Independence Day Labor Day Thanksgiving Day Friday After Thanksgiving Christmas Eve Christmas Day New Year's Eve Two Floating Holidays Employee's Birthday

(January 1) (Last Monday in May) (July 4) (First Monday in September) (Fourth Thursday in November)

(December 24) (December 25) (December 31)

4.13.1 Days of Observance – Federal/State Conflicts

The foregoing holidays will be observed on the dates mentioned above, unless other days for their observance are established by statutes or presidential or gubernatorial proclamation. In the event of a conflict between a federal law or federal proclamation and a state law or gubernatorial proclamation with respect to any such observance, the state law or gubernatorial proclamation will control.

<u>4.13.2</u> <u>Days of Observance – Except Tuesday Through Saturday</u> Shifts and Beluga Employee Shifts

Except for employees on the Tuesday through Saturday shift, when a recognized holiday falls on a Sunday, it will be observed on the following Monday; when a recognized holiday falls on a Saturday, it will be observed on the preceding Friday. If Christmas or New Year's falls on a Saturday, it will be observed on Friday, and

Christmas Eve or New Year's Eve will be observed on Thursday. When Christmas Eve or New Year's Eve falls on a Sunday, it will be observed on the preceding Friday.

4.13.3 Days of Observance – Tuesday Through Saturday Shifts

For employees on the Tuesday through Saturday shift, when a recognized holiday falls on a normal workday it will be observed that day. If a recognized holiday falls on a Sunday it will be observed on the preceding Saturday; when a recognized holiday falls on a Monday it will be observed on the following Tuesday. If Christmas or New Year's falls on a Saturday, it will be observed on Saturday, and Christmas Eve or New Year's Eve will be observed on Friday. When Christmas Eve or New Year's Eve falls on a Sunday or Monday, it will be observed the preceding Saturday.

4.13.4 Days of Observance – Employees Residing at Beluga Camp

All holidays listed in Article 4, Section 4.13 shall be recognized as paid holidays that cover the employees it will be observed that day. Employees pay during holidays shall not be less than the employee's normal pay for the employee's regularly assigned work schedule. If a holiday is to be observed during the first three (3) days of the workweek, the employee shall receive twelve (12) hours of holiday pay. If a holiday falls on the fourth (4th) day of the workweek, the employee shall receive four (4) hours of holiday pay. If a holiday falls on the employee's regularly scheduled day off, the holiday shall be observed on the employee's next regular workday.

4.13.5 Floating Holidays

The floating holiday(s) shall be observed on a day mutually agreeable to the employee and Employer. Employees who want to use their floating holiday on Martin Luther King, Jr. Day (third Monday of January) or Veterans Day (November 11th) will be allowed to do so provided Employer can maintain essential operations.

4.13.5.1 Floating Holiday Eligibility

New-hire employees are not eligible for floating holidays until they have completed ninety (90) days of continuous service with the Employer.

4.13.6 Birthday Holiday

An employee's birthday shall be observed on a workday mutually agreed to by the employee and Employer. Employees who ask to celebrate their birthday holiday during the month in which it falls, will not be unreasonably denied.

4.13.7 Holiday Eligibility

An employee returning to work from a leave without pay on the day before or after a holiday will not be eligible for holiday pay.

ARTICLE 5

Hours of Work and Compensation

Section 5.1 Workday and Workweek - Normal

The normal workday and workweek will begin and end at an assigned office building of the Employer or at any other point mutually acceptable to the Employer and the Union. The normal workday will be from 8:00 a.m. to 5:00 p.m. The lunch period will be one (1) hour and may be scheduled by the Employer between 11:00 a.m. and 2:00 p.m. Optional lunch periods of one-half ($\frac{1}{2}$) hour or lunch periods outside of the 11:00 a.m. - 2:00 p.m. timeframe may occur by mutual agreement between the employee and the supervisor. The normal workweek shall consist of five (5) consecutive eight (8) hour days, Monday through Friday inclusive. If a part-time employee works more than five (5) hours in any given day a lunch period can be taken.

5.1.1 Consumer Service Representative II (Alternate Work Schedule)

The normal workday for Consumer Service Representative II (Alternate Work Schedule) will be an eight (8) hour workday scheduled between the hours of 8:00 a.m. and 6:00 p.m. Employees shall be given at least a one (1) week notice prior to implementing a new work schedule. The Employer will make its best effort to rotate Consumer Service Representative II's (Alternate Work Schedule) into different jobs and shifts.

Section 5.2 Optional Workday

Optional workdays beginning at 7:00 a.m., 7:30 a.m., 8:30 a.m. and 9:00 a.m. may be implemented by mutual consent of the employee and the Employer. Both parties recognize that scheduling will be necessary to ensure coverage of key positions. The primary consideration for implementing, or the Employer consenting to, optional workday schedules will be determined by the business needs of the Employer. If an insufficient number of employees consent to work the optional workday schedule, the Employer can assign appropriate personnel who have completed their probationary period. Assignment will be made on the basis of seniority with the least senior employee in the job classification being assigned. Employees shall be given a one (1) week notice prior to implementing a new workday schedule. With a one (1) week notice by either party, an employee shall revert back to the regular workday, unless the position has been assigned by the Employer and until such time that there is a less senior employee available in the job classification assigned.

Temporary Employees who have been employed ninety (90) days may be assigned the optional workday schedule.

Section 5.3 Optional Workweek

5.3.1 Four (4) - Tens (10s)

Should the organizational needs change, the parties agree that a four (4) day workweek, ten (10) hour day, may be implemented by mutual consent between the Employer and Union.

5.3.2 <u>Tuesday Through Saturday Workweek</u>

The Employer may establish a Tuesday through Saturday work schedule between the hours of 8:00 a.m. through 6:00 p.m. Tuesday through Friday and 8:00 a.m. through 5:00 p.m. on Saturday at the straight time rate. The Tuesday through Saturday work schedule will be announced at least thirty (30) calendar days in advance. The changed work schedule will be at least thirty (30) calendar days in duration. Individuals assigned to the optional work schedule will be selected on a voluntary basis in order of seniority. If an insufficient number of employees volunteer to work the optional workweek, the Employer may assign appropriate personnel who have completed their probationary period. Assignments will be made on the basis of seniority with the least senior employee in the job classification being assigned.

Temporary Employees who have been employed ninety (90) days may be assigned the Tuesday through Saturday work schedule.

Section 5.4 Workday and Workweek – Shift Employees

A shift schedule may be established by the Employer with the employee receiving eight (8) hours of pay for seven and one-half $(7-\frac{1}{2})$ hours of work. The Employer may establish shift schedules at the appropriate applicable rate. The shift work schedule will be announced at least thirty (30) calendar days in advance. The changed work schedule will be at least thirty (30) calendar days in duration. Notwithstanding the definitions of workday herein provided, Employer may establish different workdays as follows:

5.4.1 Swing Shift

A second or swing shift consisting of eight (8) hours may be established between 3:00 p.m. to 12:30 a.m.

5.4.2 Night Shift

A third or night shift consisting of eight (8) hours may be established between the hours of 11:00 p.m. to 8:30 a.m.

5.4.3 Shift Scheduling

Both parties recognize that scheduling will be necessary to ensure coverage of key positions. The primary consideration for implementing shift scheduling will be determined by the business needs of the Employer. Shift scheduling will be done on a voluntary basis in order of seniority. If an insufficient number of employees

volunteer to work the shift schedule, the Employer may assign appropriate personnel who have completed their probationary period. Assignments will be made on the basis of seniority with the least senior employee in the job classification being assigned. Temporary employees who have been employed ninety (90) calendar days may be assigned the shift schedule.

- **<u>5.4.3.1</u>** Shift employees shall be given one (1) week notice prior to implementing a new start time for their shift.
- **5.4.3.2** With forty-five (45) calendar days notice an employee may request to revert back to the regular workday. The Employer will then post a Notice of Interest and begin the process for selecting an employee to fill the applicable shift.

Section 5.5 Workday, Workweek and other Working Conditions – Employees Residing at Beluga Camp

This position will work a four (4) day workweek consisting of three (3) twelve (12) hour days; Monday through Wednesday, and one (1) four (4) hour day on Thursday or Tuesday through Thursday, and one (1) four (4) hour day on Friday. On this schedule, all hours listed above for this regular workweek (40 hours) are at straight time. Any additional hours shall be compensated at double the applicable straight-time rate. The normal workday for the first three (3) days shall be from 7:00 a.m. to 7:00 p.m. The normal workday for the fourth (4th) day shall be from 7:00 a.m. to 11:00 a.m. except that workdays can be adjusted for flight schedule one hour earlier or later so long as the employee works no less that forty (40) hours in a workweek. Employees shall be paid for all time worked between the end of their workday and the departure of the Thursday or Friday flight (depending on work schedule).

5.5.1 Change in Law – 12 Hour Schedule

The Employer and the Union share a mutual desire to maintain the established schedule for employees working this schedule at the Beluga Power Plant. If legislation should be enacted which prohibits employees from working in excess of eight (8) hours per day without being compensated at the overtime rate, the Savings Clause of this Agreement will apply.

5.5.2 Reassignment of Starting Location

An employee awarded this position will be assigned to Beluga on a continuous basis. With thirty (30) days notice, or less by mutual agreement between the Employer and the employee, regular employees assigned to work at Beluga can be reassigned to Headquarter with a normal workday and workweek schedule as a result of a reduction in force or by mutual consent of the Employer and the Union.

5.5.3 Temporary Assignments

Employees temporarily assigned to work at Beluga shall work the schedule they

regularly work if the assignment is less than one (1) week. For assignments of one (1) week or more, employees may choose to work their normal work schedule if a room is available.

Beluga employees temporarily assigned to work at Chugach Headquarters shall be given one (1) week notice prior to implementing a new schedule if the assignment is less than two (2) weeks in duration. For assignments longer than two (2) weeks in duration, employees shall be given thirty (30) days notice. With mutual agreement between the Employer and the Union, advance notice may be waived or changed.

No loss of pay will result from a schedule change.

5.5.4 Training

No loss of pay shall occur if an employee is required to attend training classes outside Beluga.

5.5.5 Transportation

The Employer will schedule air flights so as to permit one flight per week for the employee to travel to Anchorage for days off and return to Beluga for days on. Flights shall be made available to accommodate the work schedule.

5.5.6 Flight Delays or Cancellations

Employees held over at Beluga beyond normal scheduled departure time because of inability to travel (e.g. weathered in or mechanical) will be assigned work in accordance with the twelve (12) hour shift normally assigned at that work location at the applicable overtime rate. Employees unable to depart Anchorage for Beluga because of inability to travel (e.g. weathered out or mechanical) shall be required to report to Chugach Headquarters.

5.5.7 Employer Provided Room and Board

When staying at Beluga the Employer shall provide room and board. An employee shall be assigned a room and shall not be required to double up except in cases where someone may not be able to return to town and no other facilities are available. Meals shall be in accordance with eating scheduled at Beluga and all meals during the regular workday schedule shall be on Company time. Meals on Company time will take only a reasonable amount of time and employees will return to work immediately after eating.

Section 5.6 Hours of Regular Compensation

Except as otherwise specifically provided in this Agreement, compensation for the first eight (8) hours of work in any one workday and for the first forty (40) hours of regularly scheduled work in any one workweek will be at the regular rate of compensation for the job classification concerned.

Section 5.7 Shift Differential Compensation

An employee required to work an established shift as defined in this Agreement, shall be compensated at a ten percent (10%) differential for the swing shift and a fifteen percent (15%) differential for night shift in addition to the employee's base rate. No employee will be required to lose any time by changing shifts.

Section 5.8 Compensation During or in Lieu of Annual Leave

An employee who is eligible to receive annual leave under the terms of this Agreement and who is on annual leave will be paid at the employee's straight time rate in effect when such leave is taken and on the day the employee would be paid were the employee on duty in the employee's regular job. An employee who is eligible to receive annual leave under the terms of this Agreement and who is temporarily working in a higher classification will be paid for annual leave taken at the higher wage rate after the employee has served in the higher classification for more than thirty (30) calendar days.

Upon termination, an employee who is eligible to receive annual leave under the terms of this Agreement will receive a lump sum payment in lieu of accrued annual leave, which payment will be computed at the employee's straight time rate. No employee shall be required to take cash payments in lieu of annual leave except when an employee resigns, is laid off, or is terminated.

An employee who is eligible to receive annual leave under the terms of this Agreement may receive payment in lieu of annual leave on a quarterly basis. In an emergency, payment without regard to the quarterly limitation may be authorized consistent with Chugach's established policy. All cashing of leave shall be at the employee's regular hourly straight time rate of pay. An employee who is eligible to receive annual leave under the terms of this Agreement may cash in accrued leave at a higher wage rate when the employee is temporarily working in a higher classification only after the employee has served in the higher classification for more than thirty calendar (30) days.

Section 5.9 Compensation of Employees Working in Higher Classification

An employee assigned to work at a higher classification will be paid the higher wage rate for such work. Any employee assigned to work in a higher classification for a period of thirty (30) days or more will be paid at the higher rate for holidays and annual leave taken during the time in the higher classification. This is to provide for periods of acting assignment, but not to avoid putting newly created work or vacancies up for bid.

5.9.1 Seventy-Five Percent (75%) Rule

If an employee works out of classification 75% or more of the time during a two week pay period, they will be compensated at the higher grade level for the entire pay period. Any work performed out of classification will be reviewed on a per pay period basis and hours cannot be carried over from one pay period to another.

5.9.2 Cross-Training

Employees on a cross-training assignment in a higher job classification will be paid at the higher rate after completion of the first one hundred twenty hours (120) hours unless extended by mutual consent between the Employer and Union.

Section 5.10 Temporary Transfer to Lower Classification

No employee will suffer a reduction in pay by reason of the employee's temporary transfer to a job carrying a lower pay classification.

Section 5.11 Overtime

5.11.1 Overtime Rate

All work performed in excess of eight (8) hours on Monday through Friday and all work performed on Saturday and Sunday will be compensated at double the applicable straight-time rate, except as otherwise provided in this Agreement.

5.11.2 Call-Out Pay

An employee who is required to return to work outside the employee's regular hours of duty will be paid a minimum of two (2) hours at the applicable rate. In the event of a call-out, the employee shall be considered working and receive the appropriate wage rate for all hours worked from the time the call is received until the employee returns to assigned starting location.

5.11.2.1 Outage Call-Out

Overtime work as a result of a call-out shall be offered to regular employees on the call-out list consistent with an established call-out procedure as agreed by the Employer and the Union. <u>5.11.3</u> <u>Call-In Pay</u>

If an employee is scheduled by the employee's supervisor to report for work on a day such employee would not normally be on duty, or on a holiday, the employee will be paid a minimum of two (2) hours at the applicable rate. If the work is subsequently cancelled by the close of the employee's regularly scheduled shift the day prior to the start of such work, no compensation shall be received. The Employer will make every reasonable effort to notify the employee as soon as practicable of the cancellation of the call-in.

5.11.4 Holiday Overtime Compensation

Employees not scheduled to work who are called by the Employer to work on a paid holiday will be paid at the straight-time rate for such holiday and, in addition, will be compensated at double the applicable straight-time rate for the hours worked.

5.11.5 Pyramiding of Overtime

No employee shall receive more than one (1) overtime rate for the hours worked

and if more than one (1) overtime rate is applicable to the same hours worked, the higher rate only shall be paid.

5.11.6 Distribution of Overtime

The opportunity for all overtime work will be distributed as equitably as practical among regular employees in the job classification in which such overtime work is to be performed. When there is more than one employee in the same job classification, preference will be given to the employee currently performing the specific tasks associated with the overtime assignment.

Overtime work will be offered to temporary employees when no regular employees are available. A list of overtime hours shall be posted once every three (3) months.

5.11.7 Relief After Extended Overtime

An employee who has been on duty for four (4) or more consecutive hours outside of the employee's normal shift shall not be required to report for work the following scheduled workday until the employee has had a minimum of ten (10) hours of relief. The employee shall be paid at the employee's applicable rate for those scheduled hours included in the employee's ten (10) hours of relief. If the Employer requests the employee to come back to work without the minimum of ten (10) hours of relief, the employee shall be compensated at the applicable rate until the employee is relieved. Employer retains the right to determine the actual number of hours an employee may work, consistent with the terms of this Agreement.

Section 5.12 Per Diem

If the Employer requires an employee to be away from home overnight, the Employer will furnish all meals and lodging. When an employee is away from home, the employee shall have the option of receiving \$75.00 in lieu of the Employer furnished meals and lodging for each night which the employee may be required by the Employer to remain away from home. For those employees electing the per diem option, meals eaten on the return trip home will be reimbursed in accordance with Article 5.13.2.

No employee shall be required to be out of town on scheduled work without two (2) days prior notice.

Section 5.13 Employer Provided Meals

Meals are provided when an employee is required to work:

- a) two (2) hours or more immediately following the employee's regularly scheduled shift and every four (4) hours thereafter until relieved.
- b) four (4) hours or more after a call-out and every four (4) hours thereafter until relieved.

5.13.1 Choice of Meal or Compensation

The employee shall be furnished a meal by the Employer on the Employer's time and will be paid at the applicable straight-time rate. Eating shall be accomplished as quickly as reasonably possible as follows:

- a) one (1) hour if returning to work after eating;
- b) one-half (1/2) hour if the employee eats after the employee has finished work; or
- c) the employee may elect to take \$20.00 in lieu of the meal furnished by the Employer and one-half (1/2) hour at the applicable overtime rate.

5.13.2 Reimbursement Ceilings

The following ceilings are established for meals that are eaten:

- a) Breakfast \$12.50 (includes tip)
- b) Lunch \$15.50 (includes tip)
- c) Dinner \$25.00 (includes tip)

Note: For reimbursement of meals a receipt is required.

5.13.3 Missed Breakfast

If a call-out has caused an employee to miss breakfast at home, the Employer will provide a meal not to exceed the breakfast ceiling. The meal will be eaten as quickly as possible, but not to exceed one (1) hour.

5.13.4 Use of Employer's Vehicle and Travel Time

Where individual employees are working in the field and have been assigned the use of a company vehicle, the Employer will allow the use of Employer's vehicle for transportation to meals. For purposes of this section, travel for meals shall be considered as time worked and will be permitted when access to and from a hot meal and sanitary conditions are within fifteen (15) minutes one way of the work site. When sanitary conditions or a hot lunch are not available, the employee shall be notified twenty-four (24) hours in advance, if at all possible.

5.13.5 Advance Notice

Where an employee agrees at least forty-eight (48) hours but not more than one hundred twenty (120) hours in advance and an employee specifically agrees at least forty-eight (48) hours but not more than one hundred and twenty (120) hours in advance to work overtime on defined work on the employee's first scheduled day-off, during hours that are the same or fall within the employee's regularly scheduled shift, the employee will not be entitled to meals for the first eight (8) hours.

5.13.5.1 Tuesday to Saturday Shift

Employees working the Tuesday to Saturday shift will use Monday as their first scheduled day off for purposes of this section provided Sunday isn't worked or unless mutually agreed otherwise by the Employer and Union.

5.13.6 Straight Eight (8) Hour Shift

Employees working a straight eight (8) hour shift with no meal time provision will eat on Employer's time. If work continues after 8:30 p.m. for the swing shift or after 4:30 a.m. for the night shift with no meal break, it shall be at the applicable overtime rate until relieved for the normal one-half hour meal break.

Section 5.14 Pay Period and Payday

The Employer shall pay employees every other Wednesday for the compensation earned prior to the preceding Wednesday. If a payday falls on a recognized holiday, the payday shall be on the preceding business day.

Employees will sign timecards and submit them for approval. Any subsequent changes to timecards will also require approval. Timecard changes made by management will be discussed with the employee as soon as possible. Employees and supervisors are encouraged to resolve disputes regarding timecard issues promptly and fairly without resorting to the grievance procedure.

Section 5.15 Pay on Termination

When an employee is terminated for cause or to effect a reduction-in-force, the employee will be paid all wages to which the employee may be entitled, together with such other sums as may be due the employee pursuant to the terms of this Agreement, no later than the close of the same business day. If an employee terminates voluntarily, all earnings and other sums due the employee will be paid to the employee not later than close of business on the next business day following the employee's last workday; provided that checkout has been successfully completed. Employees shall be given a termination slip at the time of termination.

Section 5.16 Statutory Employee Benefits

Upon application of an employee or authorized representative of the Union, the Employer will furnish evidence that it has complied with all statutory requirements with respect to worker's compensation, unemployment compensation, old age and survivor's insurance and any other statutory benefits to which employees of the Employer are entitled.

Section 5.17 Moving Expenses

Employees who transfer to any location outside of Anchorage or from any location outside of Anchorage to Anchorage, or to or from other mutually agreed locations, will be reimbursed for all reasonable moving expenses, and, in addition, a maximum of thirty (30) days lodging and meals while staying at a recognized motel or hotel.

Section 5.18 Air Travel Insurance

Employer guarantees that, in the event an employee subject to this Agreement dies from injuries suffered as result of his being required to travel by air at the direction of Employer, or in the discharge of his duties to Employer, the total sum of \$500,000 will be paid to the employee's beneficiary, or beneficiaries, as designated by the employee.

Section 5.19 Licensing and Certifications

The Employer shall pay for, or reimburse employees for, all expenses incurred to maintain any license and certification required by Employer, or by local, state or federal law or regulation, as a condition of employment, except that employees have sole responsibility to pay for expenses incurred to maintain a journeyman's certificate of fitness or to maintain a commercial driver's license if the employee is required to have the commercial driver's license under federal law. Employees shall obtain written approval from the Employer prior to incurring expenses for which an employee seeks reimbursement. Where the Employer is required to pay the expenses of licensing or certification, the Employer shall determine the means and methods used to provide any necessary training or testing.

5.19.1 Certification/Registration Premiums

An additional five percent (5%) premium of the hourly wage rate will be paid to the following employees:

- a) Designer II, Designer III, and Senior Designer employees who become either a licensed professional engineer registered in the State of Alaska or obtain an Outside Electrical Administrative license. Designers shall be entitled to only one five percent premium even if an employee is both a licensed professional engineer registered in the State of Alaska and has an Outside Electrical Administrative license.
- b) Administrative Secretary employees who become a Certified Professional Secretary (CPS) or a Certified Administrative Professional (CAP). Administrative Secretaries shall be entitled to only one five percent premium for either the CPS or CAP certification.

Upon successful completion by the employee of obtaining any of the above referenced licenses or certifications, the Employer shall reimburse the employee for any documented fees for testing and initial licensing and subsequent licensing renewal fees to maintain such status consistent with Chugach Board policy.

ARTICLE 6

Organization of the Employer

Section 6.1 Organization of Employer

The Union and the Employer recognize the importance of modern management principles

and the continuing need for flexible management. As a part of this program, the Employer will maintain departmental organizational charts. These will be made available to the Union within ten (10) working days upon request.

ARTICLE 7

Safety

Section 7.1 State Safety Codes

The applicable electrical safety codes which have been adopted by the State of Alaska, and any duly adopted amendments thereto or substitutions therefore are hereby adopted by the parties as the minimum standards of safety to be met in the implementation of this Agreement and the assignment to and discharge of work by employees covered herein.

Section 7.2 Helicopters

No employee will be required to work under a hovering helicopter. The Employer agrees to honor any state safety rules covering helicopters. The ground crew will be furnished a radio with the helicopter frequency while working with helicopters.

Section 7.3 Aircraft Transportation

Personnel flights required by the Employer will be in twin-engine or single engine turbine powered fixed-wing aircraft. Helicopters may be utilized if they are float equipped. By mutual agreement between an employee and the immediate supervisor the employee may choose to fly single-engine non-turbine powered aircraft. All air transportation shall be by a licensed carrier certified by an appropriate licensing agency. No employee shall be required to accept transportation with any carrier when an employee has a reasonable concern about safety.

Section 7.4 Physical Examination

An employee hired by the Employer may be required to have a physical examination. The Employer may provide that a complete physical examination be made by a properly licensed medical doctor, to be chosen by the Employer, and such examination will be at the Employer's expense. Such examinations will be scheduled by the Employer as soon as possible following notification of hire.

Section 7.5 Emergency and First Aid Equipment

The Employer will furnish safety devices and equipment that may be necessary for the safe and proper emergency medical treatment of employees covered under this Agreement. Employees will use safety equipment on all appropriate occasions.

ARTICLE 8

Discipline

Section 8.1 Misuse of Employer's Property and Time

Employees will not use the property or time of the Employer without proper authorization for personal or other non-work purposes, nor will such property be used in a careless, abusive, or illegal manner.

Section 8.2 Compliance with Work Rules and Regulations

Failure of an employee to comply with the working rules contained herein or other written regulations of the Employer, to follow lawful and proper orders and instructions or to comply with safety regulations and practices, may be considered insubordination. Those rules and regulations that the Employer has reduced to writing will be kept in a place that is readily accessible to all employees concerned.

Section 8.3 Public and Employee Relations

All employees will be required to discharge their duties in a proper and businesslike manner and to be courteous and considerate of one another and the public.

Section 8.4 Consumption of Drugs/Alcohol

An employee who is unable to discharge the employee's duties due to the use of alcohol or use of illegal drugs will be considered incompetent, subject, however, to other applicable provisions of this Agreement.

Section 8.5 Drug and Alcohol Testing

The Employer and the Union are committed to maintaining a safe and healthful working environment for all employees. In addition, Employer has an obligation to ensure public safety and trust with regard to Association work environment and services. Accordingly, the use of alcohol or controlled substances, including marijuana, cocaine, opiates, heroin, amphetamines, and phencyclidine, or other controlled substances prohibited by state or federal law is strictly prohibited and may result in discipline in accordance with the appropriate labor agreements and Employer's policies.

Drug and alcohol testing will be applicable to all employees covered by this Agreement.

8.5.1 For Cause Drug and Alcohol Testing

8.5.1.1 No Bargaining Unit Employee will be tested for drug metabolites or alcohol unless there exists probable suspicion that the employee to be tested is using or is under the influence of drugs or alcohol. Probable suspicion means suspicion based on specific personal observations that the Employer representative can describe concerning the appearance, behavior, speech or breath odor of the on-duty employee.

- 8.5.1.2 An employee suspected of using or being under the influence of drugs or alcohol may have a Union Shop Steward or alternate present when the employee is being observed by Employer for the above suspicions.
- 8.5.1.3 If the Employer representative has probable suspicion to believe that the employee is using or is under the influence of controlled substances or alcohol, he/she shall require the employee (in the presence of a Union Shop Steward) to go to the Laboratory to provide urine specimens (or breath samples for alcohol) for laboratory testing. The Employer representative may also accompany the affected employee and Shop Steward to the Laboratory. Transportation to the laboratory will be provided by the Employer. In the event a Shop Steward is not immediately available, Employer will contact the alternate Shop Steward to go to the laboratory. In the event that the alternate is not immediately available, Employer will contact the Union Business Representative or his/her designated representative. If none of the above are available. Employer reserves the right to observe an employee suspected of using or being under the influence of drugs or alcohol without the presence of a Union Representative. Additionally, if none of the above Union representatives are available. Employer reserves the right to require an employee when Employer has probable suspicion that he/she is using or is under the influence of controlled substances or alcohol, to go to the Laboratory to provide urine specimens (or breath samples for alcohol) for laboratory testing without the presence of a Union representative.
- 8.5.1.4 The employee may not be required to take a drug or alcohol test if the employee's actions are reasonably explained to the satisfaction of the Employer representative to be due to causes other than the use of controlled substances (such as, but not by way of limitation, fatigue, lack of sleep, side effect of prescription or over-the-counter medications, reactions to noxious fumes or smoke, etc.). In the event the Employer is unable to determine whether the abnormal behavior is due to drugs or alcohol or to other causes, the drug and alcohol testing procedure contained herein shall be used.
- 8.5.1.5 The Employer representative must make a written statement of the observations on which probable suspicion is based within twenty-four (24) hours. A copy must be provided to the Shop Steward or other Union official. Included in this statement will be the Employer representative's efforts to contact the Stewards or representative.
- 8.5.1.6 Third party reports of drug or alcohol use or aberrant behavior which are not confirmed by Employer representative observations shall not constitute probable suspicion or be grounds for testing.
- 8.5.1.7 An employee suspected of using or being under the influence of controlled substances or alcohol will be suspended with pay pending Employer's receipt

of the test results from the Laboratory.

8.5.2 Random Drug and Alcohol Testing

- 8.5.2.1 In the interests of promoting the highest standards of workplace excellence and safety, the parties agree to adopt a random drug and alcohol testing program. Employees shall be subject to random drug and alcohol testing in accordance with the protocol and procedures specified in 49 CFR Sec. 382.305.
- 8.5.2.2 Former ML&P employees not currently in a random drug and alcohol testing pool will be included in the selection pool for this program six months after the effective date of the Transition Agreement in Appendix C of this agreement.

8.5.3 Drug and Alcohol Testing Procedure

- 8.5.3.1 The Employer representative and Steward must have received training in the signs of drug and alcohol intoxication in a training program endorsed or conducted by Employer, except that training is not a prerequisite in situations where the employee's drug or alcohol use or impairment would be obvious to a person of ordinary intelligence and perception. Employer will make attendance at its drug and alcohol training program available to Union Shop Stewards so they may receive the same training as Employer representatives.
- 8.5.3.2 The testing shall be done by a qualified Laboratory (the Laboratory) designated by Employer.
- 8.5.3.3 It will be the responsibility of the employee to notify the Laboratory of any prescription or non-prescription medication the employee is taking.
- 8.5.3.4 The Employer will require urine specimens or breath test only unless the employee consents to withdrawing of a blood specimen. At the time the specimens are collected, the employee shall be given a copy of the specimen collection procedures. Specimens must be immediately sealed, labeled and initialed by the employee to insure that the specimens tested by the Laboratory are those of the employee. The employee shall sign test laboratory form(s) authorizing the tests and disclosure of the test results to the Employer.
- 8.5.3.5 Failure to provide a specimen, refusal to take a drug or alcohol test or sign test laboratory form(s) or cooperate with the clinic personnel will constitute a presumption of intoxication and the employee will be subject to appropriate disciplinary actions.
- 8.5.3.6 The Laboratory shall maintain the chain of custody by reasonable means designated to show the handling of the specimen from the time it is collected

until all tests are completed, and thereafter, until the specimen is properly disposed of.

- 8.5.3.7 Split testing methodologies and chain of custody procedures will be provided from the Laboratory for review by the Employer and Union. Other laboratories may be used upon mutual consent of the Employer and Union.
- 8.5.3.8 The initial and confirmation cutoff levels used when screening urine specimens to determine whether they are negative or positive for various classes of drugs and alcohol shall be those contained in the Scientific and Technical Guidelines for Federal Drug Testing Programs (subject to revision in accordance with subsequent amendments to the HSS Guidelines), except that the cutoff levels for the following substances shall be as follows:

Initial Test Analyte	Initial Test Cutoff Concentration	Confirmatory Test Analyte	Confirmatory Test Cutoff Concentration
Marijuana Metabolites (THCA)	50 ng/ml	THCA	15 ng/ml
Cocaine Metabolites (Benzoylecgonine)	150 ng/ml	Benzoylecgonine	100 ng/ml
Opioid metabolites	2000 ng/ml	Codeine	2000 ng/ml
Codeine/ Morphine	2000 ng/ml	Morphine	2000 ng/ml
6-Acetlymorphine	10 ng/ml	6-Acetlymorphine	10 ng/ml
Hydrocodone	300 ng/ml	Hydrocodone	100 ng/ml
Hydromorphone	100 ng/ml	Hydromorphone	100 ng/ml
Oxycodone	100 ng/ml	Oxycodone	100 ng/ml
Oxymorphone	100 ng/ml	Oxymorphone	100 ng/ml
Phencyclidine	25 ng/ml	Phencyclidine	25 ng/ml
Amphetamine	500 ng/ml	Amphetamine	250 ng/ml
Methamphetamine	500 ng/ml	Methamphetamine	250 ng/ml
AMP/MAMP	500 ng/ml	AMP/MAMP	250 ng/ml
MDMA/MDA	500 ng/ml	MDMA/MDA	250 ng/ml

Alcohol

100 mg/dl

- (1) Delta-9-tetrahydrocannabinol-9-carboxylic acid
- (2) Bensoylecgonine
- (3) 25 mg/ml if immunoassay specific for free morphine
- 8.5.3.9 In reporting a positive test, the Laboratory shall state the specific substance(s) for which the test is positive and shall provide the quantitative results of both the screening and the (GC/MS) confirmation tests, in terms of nanograms per milliliter. All positive test results must be reviewed by a laboratory director or a medical doctor and certified as accurate.
- 8.5.3.10 Test results which are below the levels specified herein shall be considered

negative indications and shall be reported to the Employer as such.

- 8.5.3.11 Employer recognizes that the results of a drug or alcohol test will be considered medical records and held confidential to the extent permitted by law. Employer will limit disclosure of information acquired in connection with a drug or alcohol test, including positive and negative test results, to the following, unless the employee consents in writing to disclosure to others:
 - a) The employee;
 - b) The employee's supervisors and other management officials with a need to know;
 - c) The Shop Steward or other authorized Union representative if the employee is represented by the Union;
 - d) Test laboratory personnel;
 - e) The Employee Assistance Program counselor or other rehabilitation personnel if the employee seeks or is required to use same;
 - f) An arbitration tribunal in the event of a grievance regarding the employee's alleged drug or alcohol use.

8.5.4 Substance Abuse Treatment Opportunity

Employees suffering from alcoholism and/or drug abuse will receive the same consideration that is presently extended to employees having any other illness. Employees will be allowed to utilize their annual leave or leave without pay to pursue an appropriate program of treatment.

Employer maintains an Employee Assistance Program to aid its employees in overcoming drug and/or alcohol related problems.

8.5.5 Employee Responsibility – Substance Abuse Treatment

It shall be the employee's duty to seek treatment for alcoholism and/or drug abuse. In no case shall job security or promotional opportunity be jeopardized by seeking treatment for such an ailment or condition. Should an employee fail a drug or alcohol test as outlined above the employee will be given an opportunity to seek treatment. If the employee chooses not to seek treatment the employee may be subject to discipline. However, if two (2) alcohol and/or drug abuse related occurrences occur within a twelve (12) month consecutive period, depending on the circumstances, a third occurrence may be just cause for termination. The employee is responsible for maintaining a satisfactory level of job performance. Failure to do so may result in appropriate corrective or disciplinary action as determined by the Employer.

Intent Statement: The parties understand that the "safe harbor" created by the above section is designed to encourage employees to seek treatment for alcohol and substance abuse, and to protect them against discipline and job loss while they are in treatment if they should stumble once or twice. The parties agree that the safe harbor provisions apply only to regular employees.

Section 8.6 Picket Line

No employee shall be disciplined for refusing to cross a recognized and sanctioned picket line.

Section 8.7 Progressive Discipline

No bargaining unit employee shall be disciplined or discharged except for just cause. The Employer will maintain a practice of progressive discipline. The Employer's disciplinary process is meant to be corrective and not punitive; many incidents may not result in discipline, but may require only verbal advice, instruction or counseling. The steps in the progressive discipline process are: verbal reprimand, written reprimand, suspension, disciplinary demotion, or discharge. Based on the seriousness of a particular offense, discipline may be imposed at any reasonable level. The supervisor responsible for interviewing an employee reasonably suspected of misconduct should notify the employee that the employee may have a Union representative present at an investigatory meeting. The Employer shall not impose discipline based upon stale or remote instances of prior problems or employee misconduct.

8.7.1 Employee's Response to Progressive Discipline

Whenever an employee receives progressive discipline of any nature from the supervisor, the employee may elect to respond in writing. A copy of the Employer's action and the employee's written response will be placed in the employee's personnel file.

8.7.2 Statement of Intent Regarding Progressive Discipline

Under the Progressive Discipline Section of this collective bargaining agreement, the parties intend that the Employer should notify an employee that the employee may have a Union representative present when the employee is being interviewed for suspected misconduct.

Section 8.8 Performance of Work

Failure to perform work in a safe, efficient, diligent, or productive manner may result in appropriate discipline.

Section 8.9 Discharge

Although the Employer retains the right to discipline an employee for just cause, it agrees that in the case of discharge, one of the designated Union representatives shall be noticed of the reason for the contemplated discharge prior to taking any action against the employee, unless exigent circumstances or unusual confidentiality requirements preclude such notice. Any employee who is discharged will remain on the payroll until such time as the employee is given a written statement of the reasons for the employee's termination. A copy of this written statement will be provided to the Business Manager of the Union via fax machine at the time the statement is provided to the employee. Either the Union or the discharged employee may take exception to such discharge under the grievance procedure, as set forth in this Agreement.

ARTICLE 9

Grievance Procedure

Section 9.1 Policy on Grievances

The parties hereto recognize that the prompt and equitable settlement of employee grievances is essential to the maintenance of sound labor relations. The parties further recognize that such grievances are usually more satisfactorily and expeditiously settled at the lowest supervisory level at which an acceptable understanding can be reached. Every reasonable effort will be made by the shop steward, in cooperation with Employer's CEO, to correct violations and infractions of this Agreement. The shop steward, upon request to the shop steward's immediate supervisor, shall be given a reasonable amount of time during working hours, and without loss of pay, to handle grievances pertaining to the shop steward's area of responsibility consistent with the provisions of Section 2.8 <u>Shop Steward</u> of this Agreement. During outages and other emergencies, the shop steward may be required to give priority attention to Employer's business. Immediate supervisor means appropriate management personnel.

Section 9.2 Grievance

A grievance is hereby defined as an alleged violation of the terms of this Agreement.

Section 9.3 Grievance Procedure

Any employee or group of employees having a grievance shall proceed, according to the following steps, to seek a satisfactory settlement of the grievance. To provide the best opportunity for the grievance to be resolved at the lowest level, none of the following steps shall be omitted:

<u>Step One</u>: The employee shall discuss the grievance with the employee's immediate supervisor. The employee may have the employee's shop steward present during this initial discussion. If the employee and supervisor fail to agree on the matter, Step Two will be followed.

<u>Step Two</u>: The employee will discuss the grievance with the employee's shop steward

who will, in turn, seek to settle the grievance with the employee's immediate supervisor. If the shop steward cannot reach an agreement with the employee's supervisor, Step Three will be followed.

<u>Step Three</u>: The shop steward or designated Union Representative shall state the employee's grievance in writing; the statement will include the following:

- a) The nature of the grievance and the circumstances out of which it arose, including the date of occurrence.
- b) The remedy or correction the Employer is requested to make.
- c) The section or sections of the Agreement relied upon or alleged to have been violated.
- d) The signature of the grievant and the shop steward or designated Union Representative.
- e) The date the statement of the grievance was prepared and the date the statement of grievance was received by the Employer.

<u>Step Four</u>: The written statement of the grievance shall be turned over to the Union's Business Manager or business representative to be presented to the Employer's designated representative within fifteen (15) working days of the occurrence.

<u>Step Five</u>: The Union and the Employer will have fourteen (14) calendar days to discuss the grievance, hold meetings, and try to come to a mutually agreeable settlement. Within seven (7) calendar days after the end of the specified fourteen (14) day period, Employer will provide Union with a written statement of its position on the grievance.

<u>Step Six</u>: If the grievance is not resolved at Step Five, the Union may submit the matter to arbitration within seven (7) calendar days from the date Union receives Employer's statement.

Section 9.4 Arbitration

The Union shall submit a request to the Seattle Office of the American Arbitration Association (AAA) for a panel of eleven (11) potential arbitrators. A copy of the request shall be sent to the Employer. After receipt of the panel from AAA, the parties shall select an arbitrator using the strike method. The order for striking shall be determined by the toss of the coin; the Union Representative shall toss the coin and the management representative shall call heads or tails. The arbitration hearing shall be conducted consistent with the rules established by AAA.

It is mutually understood and agreed that arbitration hearings will be conducted without unnecessary delay. Each party shall be given reasonable opportunity to be heard by its representatives, and to produce witnesses and documentary evidence and to crossexamine. The Arbitrator's authority shall be limited as follows except as provided otherwise in this Agreement:

- a) The Arbitrator shall consider only the particular issue or issues presented in writing by the Employer or Union which have been processed through the grievance procedure.
- b) The Arbitrator shall have the power to interpret the terms of the Agreement, but the Arbitrator's decision shall be based solely on the existing terms of the Agreement, and the Arbitrator shall not have the power to add to, subtract from or modify any of the terms of the Agreement.
- c) The Arbitrator shall have no power to establish wage rates, job classifications or fringe benefits of any kind.

Although no formal rules of evidence are contemplated by this Agreement, the Arbitrator shall determine the admissibility of evidence, admissibility being principally a matter of relevancy, materiality and the avoidance of undue repetition. Each of the parties hereto agrees to produce all books, records and documents or other materials, or certified copies thereof, which, in the opinion of the Arbitrator are relevant to the issues of the grievance.

The judgment of the Arbitrator shall be final and conclusive on the Employer and the Union. The parties further agree that, from the time Employer first was notified of the grievance until it is settled, including the entry of the judgment of the Arbitrator when the grievance has been submitted to arbitration, the subject of the controversy will remain status quo as of the time the grievance was first noticed.

Failure of either party to act within the time schedule set forth in this procedure without the express written agreement of the other party will be considered as a default and the grievance shall be considered to have been settled in favor of the non-defaulting party.

Subject to a different agreement between the parties, the party losing the decision shall bear the total expense of the Arbitrator, however, each party will pay the wages, salaries, fees, and expenses of its witnesses. The Arbitrator, as part of the award, shall identify the losing party.

ARTICLE 10

Miscellaneous

Section 10.1 Emergencies

The Employer is engaged in furnishing a vital public service which may under certain circumstances pose a serious threat to life and property. Therefore, notwithstanding any provisions in this Agreement relating to the limiting of work, the composition of work forces and the assignment of duties, all employees will be expected to do any work that is reasonably necessary to the saving of life or the prevention of serious injury to persons or property.

Section 10.2 Communications and Notices

All communications between the parties that are contemplated or required by this Agreement will be in email, or writing and will be delivered to the business office of the Union and the Employer. Wherever provision is made in this Agreement for the delivery of a communication or notice to the other party within a specific period, such notice or communications will be considered to have been delivered when it has been emailed or deposited in the United States mail, registered or certified, properly addressed to such other party's mail address of record, and with adequate postage prepaid, or when delivered by messenger with written receipt of delivery.

Section 10.3 Savings Clause

If any article, section or provision in this Agreement or any subsequent amendment hereof is rendered or declared invalid by reason of any statute, ordinance, regulation, or other law, or by the final judgment of a court of competent jurisdiction, the invalidation will not affect the remaining portions of this Agreement and such other portions will remain in full force and effect. Upon the invalidation of any article, section, provision, or amendment hereof, the parties shall, within thirty (30) days from the date that notice of the invalidity is received, in good faith negotiate and agree on lawful and enforceable amendments or modifications that will effectuate the parties' original intent. The parties may agree to extend the thirty (30) day time period by mutual consent

Section 10.4 Identification Cards

Employer will provide employees with I.D. cards which will serve to identify the individual as an employee of the Employer.

Section 10.5 Clothing

Employer agrees to furnish lightweight jackets with company insignia to all employees whose duties require outside contact. Cleaning and maintenance of Employer furnished jackets will be the employee's responsibility. When jackets are no longer serviceable, they will be replaced at Employer's expense; however, employees will be responsible for replacement of jackets lost or damaged from misuse.

10.5.1 Clothing Allowance

The Employer will provide a \$250.00 annual clothing allowance for each employee in the Party Chief, Chainman/Rodman, Instrument Man, Designer I, Designer II, Designer III, and Senior Designer job classification. The clothing allowance will be payable not later than January 30 of each year.

10.5.2 Member Services Casual Friday

Member Services employees will be allowed to wear blue jeans on Fridays provided the jeans are clean, presentable and free of tears. However, employees are still expected to project a professional image, particularly in dealing with the general public. The Employer

reserves the right to make the final determination as to whether an employee is dressed appropriately. If an employee fails to dress appropriately, the employee will be sent home to change on the employee's own time, using annual leave or leave without pay at the employee's option.

Intent Statement: The parties' agreement regarding this Section applies to Member Services Casual Friday only and does not alter whatever practices currently exist regarding appropriate dress on other days.

Section 10.6 Break Room- Headquarters Building

Employer agrees to provide a microwave oven and refrigerator for use by employees in the break room.

Section 10.7 New Technology

The use of new equipment, technology or procedures which replace or supersede existing equipment, technology or procedures currently utilized to perform bargaining unit work, shall remain bargaining unit work. It is recognized that employees covered by this Agreement may be required to maintain competency and skills as new technology is introduced. Whenever an employee is assigned to new technology, procedures or equipment, the Employer will provide and the employee will undertake any necessary training and assimilate any new skills which may be required.

ARTICLE 11

Health, Welfare, Pensions and Other Contributions

Section 11.1 Health and Welfare

Employer agrees to participate in, and contribute to the Alaska Electrical Health and Welfare Fund ("Fund") for the purpose of providing certain health and welfare benefits to those employees covered under Medical Plan #552, Vision Plan #701, Dental Plan #601, Disability Plan #801, and Life Insurance #902. As of April 1, 2018, the total monthly premium per employee is \$2030.00, which Employer shall pay on behalf of each employee, except as outlined below.

The Employer and employees shall share in premium costs as follows:

Grades 4-7

• Effective April 1, 2018 employees pay a total of \$303.90 per month of the premium.

Grades 8-11

• Effective April 1,2018, employees pay a total of \$309.90 per month of the premium.

Any increase in the health and welfare premium on April 1 of 2019, and 2020 will be paid sixty percent (60%) by the Employer and paid forty percent (40%) by the employee.

Effective April 1, 2021 the split in the total health and welfare premium will be paid ninety percent (90%) by the Employer and paid ten percent (10%) by the employee. The split in the total health and welfare premium will remain and be paid ninety percent (90%) by the Employer and paid ten percent (10%) by the employee for the remainder of the Collective Bargaining Agreement.

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will refer to the transition agreement in Appendix E to see the employee health and welfare premium cost.

Should there be a paid claims experience that results in a lowering of the monthly premium rate, Employer and each employee shall share in the reduction of the monthly premium rate in the same percentage as the portion of the premium Employer and employee is paying at the time of the reduction.

For new employees, the payment shall not be made during the first month of employment unless their employment began before the 15th of that month, which payments will entitle such employees to receive the health and welfare benefits including extended dental, vision and orthodontic coverage provided under the terms and conditions lawfully adopted for the administration and management of such Fund. Employer agrees to enter into such further agreements, and to execute such instruments, as may be legally required or convenient to its full participation in the foregoing Fund for, and on behalf of, its said employees.

<u>11.1.1 Health Insurance Supplemental Payments</u>

The Employer agrees to deduct, as authorized by the employee via enrollment form, health insurance supplemental payments from the pre tax net pay of its employees eligible for supplemental payments and pay to the Alaska Electrical Health and Welfare Trust said authorized amount. In the event a Medical Section 125 Plan becomes available, the employee will have the option to participate. The Employer agrees to make this deduction in the full amount from the first pay period ending date of the month and send a check for the total amount, together with a list of the individuals, names for whom the deduction were made, to the Alaska Electrical Health and Welfare Trust on or before the fifteenth (15) day of the following month.

The Union agrees that the Employer assumes no responsibility in connection with this deduction, except that of ordinary diligence and care in forwarding monies deducted as set forth in this Article. The Union shall indemnify the Employer and save the Employer harmless from any and all claims against the Employer only for amounts deducted from earnings pursuant to this Agreement.

<u>11.1.2</u> Joint Health Committee

The Employer and Union recognize that there have been and likely will continue to be major changes which affect health care coverage for employees covered by this Agreement. In the spirit of cooperation and in an effort to effectively deal with rapidly changing insurance issues, it is agreed that the Employer and Union will utilize a Joint Health Care Committee comprised of two individuals designated by the Employer and two individuals designated by the Union to address insurance issues. The Committee will meet on a mutually agreed basis. The Committee has no authority to bind the Employer or the Union and will make recommendations regarding what the Committee believes to be effective measures to deal with health care issues.

11.1.3 Effect of Federal or State Health Care Legislation

If federal or state health care legislation adopted after the effective date of this Agreement imposes a significant new financial burden on the Employer or the employees, the parties will bargain in good faith in accordance with Article 10.3 Savings Clause about how to address them.

If the Union and Employer are unable to reach agreement about how to address such changes, the matter will be presented to an arbitrator for resolution in accordance with the grievance/arbitration provisions of this Agreement.

Section 11.2 Pension Plan

The Employer agrees to contribute to, the Alaska Electrical Pension Trust Fund (Trust Fund) on behalf of all eligible employees covered under the Agreement, in accordance with the terms of the Trust Fund.

Former ML&P employees see transition agreement in Appendix E.

The contribution rate shall be **\$4.60** per compensable hour for job classifications in grades 4, 5, 6, and 7. The parties agree to increase the current Pension Contribution of **\$4.60**, by **\$0.25** on July 1, 2018; by **\$0.25** on July 1, 2019; by **\$0.88** on July 1, 2020; by **\$0.70** on July 1, 2021; by **\$0.70** on July 1, 2022; by **\$0.70** on July 1, 2023; and by **\$0.70** on July 1, 2024.

The contribution rate shall be \$4.75 per compensable hour for job classifications in grades 8, 9, 10, and 11. The parties agree to increase the current Pension Contribution of \$4.75, by \$0.25 on July 1, 2018; by \$0.25 on July 1, 2019; and by \$0.88 on July 1, 2020; by \$0.70 on July 1, 2021; by \$0.70 on July 1, 2022; by \$0.70 on July 1, 2023; and by \$0.70 on July 1, 2024.

11.2.1 Pension Reallocations

Any covered employee who is a participant in the AlaskaElectrical Pension Fund (AEPF) may elect to reallocate the contributions made by the Employer to the AEPF according to the rules regarding the reallocation of contributions from the Defined Benefit Plan to the Defined Contribution Plan as outlined in the Trust Plan documents. If an employee makes application to the Plan Administrator for a reallocation and the application is approved, the Plan Administrator will notify the Employer of the new allocation of contributions. The Employer agrees to remit future contributions according to such instructions. The allocation will continue in effect until the Plan Administrator notifies the employer of a subsequent reallocation. Such reallocations may occur no more than once annually. Nothing in this supplemental agreement will cause the Employer to contribute more or less on behalf of an employee than the amount specified in the collective bargaining agreement.

Section 11.3 Annuity Plan

The Employer agrees to contribute two percent (2%) of each employee's gross earnings for participation in the Alaska Electrical Worker's Money Purchase Pension Plan (Annuity Plan). All payments due hereunder will be made to the said Fund on or before the fifteenth (15th) day of the month following in which said gross earnings were earned by Employer's said employees.

Section 11.4 Political Action Committee Fund

With voluntary authorization by an employee on a form supplied by the Union, the Employer agrees to deduct seven dollars (\$7.00) per pay period from the employee's wages to be submitted to the IBEW Local No. 1547, for its Political Action Fund. This money will be sent in monthly with the dues, and shall be made by the fifteenth (15th) of the month following which the deduction was made. In accordance with requirements of Alaska State Law, the Union agrees that Political Action Committee Funds shall not be used for utility board elections.

Section 11.5 Alaska Joint Electrical Apprenticeship and Training Trust

The Employer agrees to contribute \$.20 per compensable hour for each employee to provide improvement programs and apprenticeship training. Contributions shall be remitted monthly with forms provided to the Alaska Joint Electrical Apprenticeship and Training Trust (AJEATT). Either party may at any time, with seven days written notification to the other party, cancel that portion of the contribution designated.

Section 11.6 Employer's 401(K) Plan

All employees covered under this Agreement are eligible to make contributions up to the legal maximum as provided by law under the terms and conditions of the Employer's 401(K) plan.

Section 11.7 Cafeteria Day-Care Plan

All employees covered under this Agreement are eligible to make contributions to the legal maximum as provided by law under the terms and conditions of the Employer's Cafeteria Plan.

Section 11.8 Life Insurance

The Employer will fund one hundred percent (100%) life insurance benefits in the amount of \$50,000 per employee.

Section 11.9 Supplemental Life and Accidental Death & Dismemberment (AD&D) Insurance

Regular employees may purchase on a voluntary basis, additional life coverage through post-tax payroll deductions in twenty five thousand dollar (\$25,000) increments to a maximum of two hundred thousand dollars (\$200,000). Coverage and premium rates will be determined by the insurance carrier.

Section 11.10 Hardship and Benevolent Fund

The Employer shall deduct and forward five cents (\$0.05) per hour for each hour of compensation of each employee within the bargaining unit to the IBEW Hardship and Benevolent Fund (IHBF). Such funds shall be forwarded in the same manner and form as other contributions herein.

Section 11.11 Legal Trust

The Employer shall contribute fifteen cents (\$.15) per compensable hour for each employee, but not to exceed forty (40) compensable hours per week per employee to the Alaska Electrical Legal Fund. This shall take effect upon date of sale and remain in effect hereafter. All payments due hereunder will be made by the Employer to the said Fund on or before the fifteenth (15th) day of the month following the month in which said compensable hours were earned by Employer's said employees.

ARTICLE 12

General Provisions

Section 12.1 Job Classifications and Wage Rates

Job classifications and wage rates are set forth in Appendix A and B.

Section 12.2 Assignability

This Agreement shall be binding upon the successors and assigns of the parties hereto, and no provisions, terms or obligations herein contained shall be affected, modified, altered, or changed in any respect whatsoever by the consolidation, merger, sale, transfer, or assignment of either party hereto, or of any kind of change in ownership or management of either party hereto, or by any change, geographic or otherwise, in the location or place of business of either party hereto.

ARTICLE 13

Labor Management Committee

Section 13.1 Labor-Management Committee

The Labor-Management Committee will consist of the CEO, Vice President of Human Resources, the appropriate Business Representative and two representatives from the employee group. The Employer and Union may appoint additional members to this committee as needed. The role of the Labor-Management Committee shall be to foster positive labor-management relations. The Labor-Management Committee will not have the authority to alter the meaning or cost application of the collective bargaining agreement.

The Committee will meet quarterly, unless there is no business to conduct, during business hours at a date and time mutually agreeable to the parties. A meeting of the Labor-Management Committee may be convened at any time if needed.

Agenda items will be submitted to the Vice President of Human Resources prior to the Labor-Management Committee meetings. The CEO, or designee, and the Union Business Representative, or designee, may appoint a sub-committee to review agenda items prior to the Labor-Management Committee meeting.

Section 13.2 Job Classifications

The parties recognize the Employer's bargaining unit job classifications as listed and contained in this Agreement, and that such classifications have been agreed upon and are in existence upon the signing of this Agreement.

The parties recognize that new job classifications may be created or that existing job classifications may be changed during the life of this Agreement pursuant to the

Classification Committee and its procedures as set forth in Section 13.3 and Section 13.3.1.

Section 13.3 Classification Committee

The Union and the Employer shall utilize Classification Committees consisting of two (2) management representatives appointed by the CEO, or designee, and two (2) bargaining unit representatives appointed by the Business Manager or designee. The primary purpose of the Classification Committee shall be the review of newly proposed job classifications or changes in existing classifications falling within the scope of this Agreement.

The Employer agrees to submit changes in job descriptions for review and comment to the Classification Committee prior to implementing such changes and that it will continue to seek consensus and work collaboratively with the Union prior to implementation, recognizing that such decisions are best made by mutual agreement whenever possible. The procedure for review and comment shall be as follows:

<u>13.3.1</u> <u>Classification Committee Procedure</u>

(a) When the Employer or the Union believes creation of a new job classification is appropriate or either party wishes to propose changes to existing classifications the following procedure shall be followed to ensure efficiencies in the process:

<u>Step One</u>: The moving party will prepare a proposal identifying the changes sought and forward it to the Vice President of Human Resources (HR) who will, within thirty (30) days of receipt, distribute it to the Classification Committee for review and consideration. The Vice President of HR will complete the formal drafting of a new or revised classification if necessary.

<u>Step Two</u>: The Classification Committee will meet within seven (7) calendar days of the Committee members' receipt of the proposal on newly proposed position descriptions or to discuss changes to existing position descriptions, unless mutually agreed otherwise between the parties. Committee members unable to attend in person shall attend telephonically.

<u>Step Three</u>: The Classification Committee will reach a decision within seven days of the meeting and the decision of the majority of the Committee shall be final, except as provided below:

<u>Step Four</u>: If the Classification Committee does not agree on the establishment of the new job classification or the proposed changes, or does not render a decision within the timeframe noted above, unless the delay is the result of extensions of time requested by the Employer, the matter must be submitted to and reviewed by the appropriate Senior Vice President. The Senior Vice President will be the tie breaker with respect to the creation of a new or the modification of an existing classification. If the parties deadlock regarding appropriate compensation for the new or modified job classification the matter will proceed immediately to arbitration.

(b) No regular employee will be laid-off, terminated or discharged by the Employer as a result of the Employer's creation of a new classification or the modification of an existing classification.

(c) Employees will not be displaced by any increase in the qualifications of a position; employees who do not have the additional qualifications will be grandfathered in their current position.

<u>APPENDIX A – LIST OF EXISTING JOB</u> <u>CLASSIFICATIONS/GRADES</u>

GRADE

JOB CLASSIFICATIONS:

Accounting: Accounting Clerk I 5 Accounting Clerk II 6 6 Accounts Payable Clerk Plant Accounting Clerk II 6 Accountant – Payroll 7 7 Accountant – Accounts Payable Accountant – Plant 7 7 Administrative Secretary – Accounting Accountant – Plant Records 8 Accountant – General Ledger 8 Administrative Services: Administrative Courier 4 Senior Administrative Courier 5 5 General Clerk I – Purchasing 6 General Clerk II – Purchasing 7 General Clerk III – Purchasing Administrative Secretary – Administrative Services 7 8 **Contract Specialist Environmental Engineering:** Administrative Secretary – Environmental Engineering & Safety 7 7 **Environmental Assistant** Information Services: Administrative Secretary – Information Services 7 Member Services: General Clerk – Consumer Services 4 5 Consumer Service Representative I **Consumer Service Representative II** 6 Credit and Collections Representative II 6 Consumer Service Representative II – Alternate Work Schedule 6 7 Consumer Service Representative III Damages Claims Cost Recovery Technician 7 7 Administrative Secretary – Member Services

(Appendix A Continued)

Power Control:	_
Power Control Data Technician	7
Power Supply:	
Administrative Secretary – Energy Supply	7
Regulatory Affairs and Pricing:	
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Engineering Services:	
General Clerk I – Engineering	5
General Clerk II – Engineering	6
General Clerk/Land Services – Engineering	6
Engineering Document Control Clerk	6
Engineering CAD/GIS Aide	6
Record Drawing Technician	7 7
Engineering Junior CAD/GIS Operator	7
Administrative Secretary – Transmission & Special Projects	7
Administrative Secretary – Distribution Standards & Eng. Support Chainman/Rodman	7
Operations – Meter Clerk	7
Operations – Job Orders Clerk	7
Operations – Warehouse/Inventory Clerk	7
Operations – Divisional Payroll Clerk	7
Operations – Locates/Street Light Maintenance Clerk	7
Administrative Secretary – Operations	7
Engineering CAD/GIS Operator	8
Engineering Support Technician	8
Designer I	8
Instrument Man	8
CAD Technician	9
GIS Technician	9
Designer II	9
Party Chief	9
CAD Specialist	10
GIS Specialist	10
Designer III	10
Senior Designer	11
Operations Maintenance Technician IV	11
Technical Services:	_
Administrative Secretary – Technical Services	7
Relay Support Technician	8
Technical Services Data Technician	7

APPENDIX B – STEP LEVELS AND WAGE RATES

- 1. During the first six (6) months of employment, employee shall be paid 75% of the above rates.
- 2. During the second six (6) months of employment, employees shall be paid at 80% of the above rates.
- 3. During the third six (6) months of employment, employees shall be paid at 85% of the above rates.
- 4. During the fourth six (6) months of employment, employees shall be paid at 90% of the above rates.
- 5. During the fifth six (6) months of employment, employees shall be paid at 95% of the above rates.
- 6. After thirty (30) months of employment, employees shall be paid at 100% of the above rates.

The Employer shall have the discretion to place a new hire employee at steps 1 through 4 depending upon the new hire employee's experience and training. The Employer's discretion in hiring new employees above the entry level rate shall be exercised in good faith and shall not be used to give preferential treatment to employees for any reason other than the employee's possession of experience, skills or certifications which genuinely justify compensation above the entry level rate.

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will refer to the transition agreement in Appendix E to see the employee wage increases for years 2019 and 2020.

Current Chugach Employees:

Effective, July 1, 2018: the base wage rates for all classifications shall increase by the Anchorage CPI-U at not less than two percent (2%) and at no more than two and one half percent (2.5%).

Effective, July 1, 2019, the base wage rates for all classifications shall increase by the Anchorage CPI-U at not less than two percent (2%) and at no more than two and one-half percent (2.5%).

Effective, July 1, 2020: the base wage rates for all classifications shall increase by five percent (5%).

All Employees:

Effective, July 1, 2021: the base wage rates for all classifications shall increase by two (2%).

Effective, July 1, 2022: the base wage rates for all classifications shall increase by two (2%).

Effective, July 1, 2023: the base wage rates for all classifications shall increase by two (2%).

Effective, July 1, 2024: the base wage rates for all classifications shall increase by two and one half percent (2.5%).

Appendix D

Chief Shop Steward:

The Parties recognize that timely resolution of disputes is key for a successful transition and is key to the well-being of employees; therefore, the Parties agree that there will be one chief shop steward appointed by the Union to represent bargaining unit employees in the Outside, Office and Engineering, and the Generation Collective Bargaining Agreements. The following provisions shall apply to the chief shop steward:

a. Chugach recognizes that the Business Manager of IBEW Local 1547 retains the right to appoint and dismiss all shop stewards in accordance with the Union rules and regulations. While the Business manager will make the ultimate decision on who to appoint as the Chief Shop Steward, he will consider relevant work experience with Chugach or the former ML&P in making the decision. There will be one full-time non-working Chief Shop Steward. Chugach recognizes the shop stewards as the duly-appointed Union representatives of the employees. The Union will notify Chugach as to the identity of all shop stewards. All shop stewards shall make every effort in cooperation with Chugach's Vice President of Member and Employee Services or duly-authorized representative to correct violations and infractions of this Agreement by either covered employees or management personnel. The duly-authorized assistant shop stewards, upon request made to their immediate supervisors, shall be given reasonable amounts of time during working hours and without loss of pay, to handle all work-related Union business pertaining to their areas of appointment, including but not limited to grievances and arbitration hearings, and shall keep both Chugach and the Union informed as to their whereabouts. Chugach may require shop stewards to record time spent on union business during working hours on the steward's time card.

- No shop steward shall be terminated for any cause until the CEO of Chugach and Business Manager of the Union have completed an investigation into the alleged cause for termination and determined there has been just cause. Investigations into the alleged cause for termination shall not last longer than fifteen (15) work days in cases not involving a reduction in force, and 48 hours in cases involving reduction in force. Investigation timelines may only be extended by written mutual agreement of the parties.
- c. The bargaining unit member appointed to the Chief Shop Steward position shall perform the function of full-time steward at the top craft pay rate of foreman. Chugach shall pay all wages and benefits for the Chief Shop Steward. The bargaining unit member-appointed to the Chief Shop Steward position shall be a full-time FLSA exempt position. The parties agree to verify the FLSA status of the Chief Shop Steward position. If the Chief Shop Steward position is determined to be overtime eligible, the parties agree to negotiate a remedy by adjusting hours to be worked, duties, or cost allocation between the parties. The Chief Shop Steward may be assigned administrative, research, and program duties (excluding Chugach's Labor Relations) within the Member and Employee Services Division, consistent with his or her knowledge, skills, and abilities.
- d. The Chief Shop Steward will normally observe the standard work week of Monday through Friday. The Chief Shop Steward shall be subject to all terms and conditions of the Agreement, except the provisions that pertain to an hourly employee such as, but not limited to, overtime, call-out, ten-hour breaks, pay premiums, and additional meal period provisions. Retirement, money purchase, hardship and benevolent fund, and any other similar contributions will be based on a 40-hour work week.
- e. The Chief Shop Steward shall be given reasonable notice by Chugach prior to the time any committee meeting defined by the Chugach CBAs. With advanced notice the Chief Shop Steward may schedule meetings of employees or stewards during work hours only as authorized by the Vice President of Member and Employees Services.
- f. The Chief Shop Steward shall be afforded private office space and issued Chugach provided cell phones. The cost of such items shall be paid by Chugach.
- g. The Chief Shop Steward shall retain his or her regular employment status and continue to accrue all benefits. Additionally, the Chief Shop Steward may return to his or her former regular positions or similar positions within the same classification and rate of pay following a fifteen (15) calendar day advance written notification to the Union and Chugach. This shall not limit the ability of the Chief Shop Steward to bid in accordance with other provisions of this Agreement. The Chief Shop Steward will be the last employee laid off

within the work unit provided he or she is qualified to perform the remaining work.

The full-time Chief Shop Steward shall continue to receive chief steward premium pay when he or she is on paid leave.

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Transition Agreement by and between Chugach Electric Association, Inc. (Chugach) and

International Brotherhood of Electrical Workers, Local 1547 (IBEW) Representing the Outside Plant Personnel (OSP) Bargaining Unit, Generation Personnel (GEN) Bargaining Unit, Office and Engineering (O&E) Bargaining Unit, and the Municipal Light and Power (ML&P) Bargaining Unit

Background:

Chugach Electric (Chugach) is intending to buy Municipal Light and Power (ML&P) from the Municipality of Anchorage in a directed sale. This Transition Agreement is contingent on and, with the exception of the no layoff section, will ultimately only take effect at 12:01 a.m. on the date (the Effective Date) of the closing of the sale of ML&P to Chugach (projected to be no earlier than September 2019). The parties (Chugach and IBEW) reached this Agreement through interest based bargaining in consideration of the limited duration of available bargaining time and the desire to consider the needs of employees, members/rate payers, and the sustainability of Chugach and the Anchorage community.

Purpose:

This Agreement will transfer ML&P Bargaining Unit classifications into one of the three existing Chugach bargaining units as specifically agreed by the parties. This Transition Agreement details the efforts of both parties to limit the impact to ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units. All employees (employed in represented positions) hired after the Effective Date will be hired under the Chugach CBAs. Additionally, this Agreement will only modify the Chugach bargaining unit agreements (Chugach CBAs) as specifically stated herein and it is the desire of the parties to leave the Chugach CBAs and their attached letters of agreement, practices, and grievance resolutions undisturbed, except as otherwise specifically agreed by the parties in writing.

Incorporation by Reference:

Chugach and IBEW agree that the terms of the current Chugach CBAs between the parties which are scheduled to expire on June 30, 2021, including all Letters of Agreement, Letters of Understanding and/or Grievance Resolutions shall continue in full force and effect through and including 11:59 p.m. June 30, 2025, except where modified, added to or deleted by agreement of the parties in writing. The parties agree that this Transition Agreement is contingent upon the parties ratifying (IBEW) and approving (Chugach Board of Directors) the extended terms of the current Chugach CBAs prior to the closing date of the sale of ML&P to Chugach. The parties agree that in no case will the terms of any CBAs ultimately agreed to by the parties be less overall than the terms contained in this transition agreement. If either party fails to ratify the Collective Bargaining Agreements, this transition agreement will serve as the baseline for further Collective Bargaining Negotiations.

Duration:

The parties agree that the Chugach CBAs and the ML&P CBA will continue in full force and effect through the sale closing date for the sale of ML&P to Chugach. As of the Effective Date of this Transition Agreement (date of closing), the newly agreed-upon Chugach CBAs will go into effect and will remain in effect through June 30, 2025.

No Layoff:

The parties recognize that job security is an important factor in limiting the impact to ML&P employees transferred into the incumbent Chugach Bargaining Units. Accordingly, no bargaining unit employees will be laid off from the signing of this Transition Agreement through June 30, 2025. The layoff protection described in this section applies to all Bargaining Unit members (transferred ML&P employees, existing Chugach bargaining unit members, and those employees newly hired into the Chugach Bargaining Units). This "No Layoff" section will take effect with the signing of this agreement and shall not expire until the end of this Transition Agreement on June 30, 2025. The parties recognize that IBEW is responsible for securing a "No Layoff" agreement with ML&P on behalf of current ML&P bargaining unit members from the signing of this agreement through the closing date of the sale.

Attrition Cap:

The parties recognize that managing the size of the workforce is critical to the sustainability of Chugach and both parties have a strong desire to ensure that the work of employees is productive, necessary, and meaningful to the employee. The parties agree that attrition will be limited to 10% for the first twelve months after the closing of the sale. During the remaining years of this Transition Agreement, attrition will be limited to a maximum 5% per year across the combined Chugach Bargaining Units, based on employee counts on date of sale and anniversaries thereof. Chugach shall notify IBEW within 30 days of the decision to leave a position unfilled.

Health and Welfare:

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will participate in the health and welfare programs provided under the Chugach CBAs. Chugach will not participate in or otherwise continue coverage through the former ML&P plan(s).

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will continue to pay their then current employee share of their health and welfare premium. Effective April 1, 2020 ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will pay two percent (2.00%) of the monthly per employee premium charged to Chugach by the health trust. Premium participation for these employees will increase by two percent (2.00%) every April 1st of this agreement until the employee premium participation reaches ten percent (10.00%) on April 1, 2024. Employee contributions will not exceed 10% of H&W premium for the duration of this Agreement.

Effective April 1, 2021, Chugach bargaining unit members (with the exception of those transferred from ML&P) will have a fixed premium participation amount not to exceed ten percent (10.00%) of the monthly per employee premium charged to Chugach by the health trust.

No reduction in Wage Rates For Transferred ML&P Employees:

The parties recognize maintaining the existing wage rates of individual ML&P employees transferred into the Chugach Bargaining Units is critical to a successful integration into the Chugach organization. Therefore:

- 1. ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will retain their then current wage rate including boiler premium, longevity pay, service recognition pay, or performance step pay (the factored rate) or move to the Chugach base pay rate for their agreed to classification, whichever is higher. All employees (employed in represented positions) hired after the Effective Date will be hired under the Chugach CBAs.
- 2. ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will be eligible for any wage rate increase agreed to by the parties under the existing Chugach CBAs, with the following exceptions:
 - Effective, January 1, 2020, the base wage rates for the former ML&P employees shall increase one half percent (.5%) and a retroactive payment for the time period of July 1, 2019 through December 31, 2019 will be paid no later than February 1, 2020 based on a method agreed to by the parties.
 - Effective, July 1, 2020, the base wage rates for the former ML&P employees shall increase five percent (5%).
- 3. Chugach agrees to achieve base wage rate parity, by July 1, 2020, between current Chugach classifications in the Outside Plant, GEN, and O&E Agreements and former ML&P classifications that will belong to the Outside Plant, GEN, and O&E Bargaining Units. Parity will be achieved by increasing the base rates of the classifications that are lower, to meet the higher base rate. The parties recognize that in most cases under the Chugach Office and Engineering Agreement and under the Chugach Generation agreement the former ML&P employees will be moving to higher Chugach base wage rates.
- 4. Wage rate increases agreed to by the parties under the existing Chugach CBAs, including the Future Wage Increases enumerated below shall be applied to the former ML&P employee's base rate as of the effective date exclusive of any boiler premium, longevity pay, service recognition pay, or performance step pay. Longevity pay, service recognition pay, or performance step pay percentages will be frozen at the percentage in place for each employee as of the Effective Date.

Future Wage Increases, for all Bargaining Unit Members:

The parties recognize that stability is key for a successful transition and key to the wellbeing of employees. In recognition of the extension in duration of the Chugach CBAs the parties agree to the following future wage increases.

- Effective July 1, 2018, the base wage rates for all OSP, GEN, and O&E classifications shall increase by the Anchorage CPI-U at no less than two percent (2.0%) and at no more than two and one half percent (2.5%).
- Effective July 1, 2019, the base wage rates for all OSP, GEN, and O&E classifications (exclusive of former ML&P employees) shall increase by the Anchorage CPI-U at no less than two percent (2.0%) and at no more than two and one half percent (2.5%).

• Effective July 1, 2020, the base wage rates for all OSP, GEN, and O&E classifications (exclusive of former ML&P employees) shall increase by five percent (5%).

The parties agree that the following percentage wage increases will apply to all Chugach OSP and GEN bargaining unit members, including former ML&P employees employed in these units:

- Effective July 1, 2021, the base wage rates for all OSP and GEN classifications shall increase by two percent (2%).
- Effective July 1, 2022, the base wage rates for all OSP and GEN classifications exclusive of IS shall increase by the Anchorage CPI-U at no less than two percent (2%) and at no more than three percent (3.0%).
- Effective July 1, 2023, the base wage rates for all OSP and GEN classifications exclusive of IS shall increase by the Anchorage CPI-U at no less than two percent (2%) and at no more than three percent (3.0%).
- Effective July 1, 2024, the base wage rates for all OSP and GEN classifications shall increase by the Anchorage CPI-U at no less than two percent (2%) and at no more than three and three tenths percent (3.3.0%).
- Effective July 1, 2022 and 2023, the base wage rates for IS GEN classifications shall increase by two and one half percent (2.5%).

To make progress toward pension parity Chugach must attempt to balance wage rate and pension rate increase for the O&E Bargaining Unit. The parties agree that the following percentage wage increases will apply to all Chugach O&E bargaining unit members:

- Starting with July 1, 2021 and each July 1 through 2023, the base wage rates for all classifications shall increase by two percent (2%).
- Starting with July 1, 2024 the base wage rates for all classifications shall increase by two and one half percent (2.5%).

Pension:

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will participate in the pension programs provided under the Chugach CBAs. Chugach will not participate in or otherwise continue coverage through the former ML&P plan(s). Specifically, Chugach will not participate in, contribute to, or take over any obligation from the State of Alaska Public Employees Retirement System.

<u>Pension Contribution Rate:</u> ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will retain their current pension contribution rate. ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will be eligible for pension rate increases agreed to by the parties under the existing Chugach CBAs with the following exceptions:

- The July 1, 2019, pension rate increase shall not apply to any former ML&P employees.
- Effective, July 1, 2020, the pension rate for all former ML&P employees shall increase by sixty-eight cents (\$.68).

O&E Pension Contribution Rate Increase:

- Effective July 1, 2018, Chugach shall increase the pension contribution rate by twentyfive cents (\$0.25) per hour for all employees in the O&E bargaining unit.
- Effective July 1, 2019, Chugach shall increase the pension contribution rate for all thencurrent members of the O&E Bargaining Unit and those newly hired into the O&E Bargaining Unit (exclusive of former ML&P employees) by twenty-five cents (\$0.25) per hour.
- Effective July 1, 2020, Chugach shall increase the pension contribution rate for all thencurrent members of the O&E Bargaining Unit and those newly hired into the O&E Bargaining Unit (exclusive of former ML&P employees) by eighty-eight cents (\$0.88) per hour.
- Effective July 1, 2021, and every July 1 through the duration of this Transition Agreement, the pension contribution rate for all then current Chugach members of the O&E Bargaining Unit and those employees newly hired into the O&E Bargaining Unit (exclusive of former ML&P employees) shall increase by seventy cents (\$0.70) per hour.

OSP Pension Contribution Rate Increase:

- Effective July 1, 2018, Chugach shall increase the pension contribution rate by twentyfive cents (\$0.25) per hour for all employees in the OSP bargaining unit.
- Effective July 1, 2019, Chugach shall increase the pension contribution rate for all thencurrent members of the OSP Bargaining Unit and those newly hired into the OSP Bargaining Unit (exclusive of former ML&P employees) by twenty-five cents (\$0.25) per hour.
- Effective July 1, 2020, Chugach shall increase the pension contribution rate for all thencurrent members of the OSP Bargaining Unit and those newly hired into the OSP Bargaining Unit (exclusive of former ML&P employees) by eighty-eight cents (\$0.88) per hour.
- Effective July 1, 2021, and every July 1 through the duration of this Transition Agreement:
 - The pension contribution rate for former ML&P employees in the Outside Bargaining Unit shall increase by thirty-two cents (\$0.32) per hour.
 - The pension contribution rate for all other members of the Chugach Outside bargaining unit shall increase by ten cents (\$0.10) per hour.

GEN Pension Contribution Rate Increase:

- Effective July 1, 2018, Chugach shall increase the pension contribution rate by twentyfive cents (\$0.25) per hour for all employees in the GEN bargaining unit.
- Effective July 1, 2019, Chugach shall increase the pension contribution rate for all thencurrent members of the GEN Bargaining Unit and those newly hired into the GEN Bargaining Unit (exclusive of former ML&P employees) by twenty-five cents (\$0.25) per hour.
- Effective July 1, 2020, Chugach shall increase the pension contribution rate for all thencurrent members of the GEN Bargaining Unit and those newly hired into the GEN Bargaining Unit (exclusive of former ML&P employees) by eighty-eight cents (\$0.88) per hour.

- Effective July 1, 2021, and every July 1 through the duration of this Transition Agreement, the pension contribution rate for all then current members of the Chugach Generation bargaining unit (exclusive of former ML&P & IS employees) shall increase by twenty-five cents (\$0.25) per hour.
- Effective July 1, 2021, and every July 1 through the duration of this Transition Agreement, the pension contribution rate for all then current members of the Chugach IS Generation bargaining unit and former ML&P IS bargaining unit employees shall increase by forty-five cents (\$0.45) per hour.

<u>Wage and Benefit Parity</u>: All bargaining unit employees will achieve base wage parity (by classification), pension parity (by bargaining unit) and H&W parity (by bargaining unit) by moving the employee to the higher base wage, pension, and/or employer H&W contribution rate by June 30, 2025. The parties will determine such rates no later than December 31, 2024. The only exception to this section is Engineers temporarily performing non-represented work (those identified below with a Replacement Status of Non-Rep). Parity will not need to be reached for these employees because they will be performing non-represented work. For the purpose of facilitating pension parity and relieving administrative burden the parties agree that the Pension Reallocation provisions of the OSP, GEN, and O&E collective bargaining agreements will be suspended throughout the duration of this Transition Agreement. Additionally, the parties agree that "Movement of Monies" (reallocation of wage increases and adjustments to pension contributions, by bargaining unit), will be suspended for the duration of this Transition Agreement.

Money Purchase Plan: ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will continue to be eligible to participate in the Money Purchase Plan. Chugach agrees to make contributions equal to 1.9% of each employee's gross wages to the Alaska Electrical Workers Money Purchase Plan (Annuity Plan). Employees may also voluntarily contribute to the Alaska Electrical Workers Money Purchase Plan upon presentation of a properly signed authorization form to the employee. This authorization for deduction may be discontinued at any time by the employee, but there must be a three (3) month waiting period prior to reinstatement of the deduction.

Effective the July 1, 2020 or effective date of sale whichever is later all CEA Outside Plant and Generation employees will receive the money purchase plan contributions as stated above.

ML&P Employee Leave:

The Parties agree that transferred ML&P employees will maintain any accrued leave (i.e. annual leave, cashable sick leave, non-cashable leave, etc.) and that their leave balances will be assumed by Chugach after the sale.

Classification - Mutually Agreed Bargaining Unit Exclusions/Inclusions:

Information Services: The parties agree that current ML&P Information Services positions with supervisory duties will not be included in the Chugach Bargaining unit agreements. The

parties recognize that Information Services positions are currently non-represented classifications at ML&P but represented classifications at Chugach.

The positions listed below with an Effective Date Status of GEN shall be considered positions represented by IBEW (regardless of their terms and conditions of employment, including any leaseback arrangement), unless otherwise negotiated by the parties. However, in no case will non-represented employees perform duties or job functions that have been traditionally performed by Chugach bargaining unit employees. The intent of this provision is to preserve represented work (to IBEW) and to preserve non-represented work (to Chugach) that is performed by these positions.

The job classifications identified below as TBD will be resolved through the classification committee process before closing of the sale.

ML&P (System Admin)						
Position Description	EE ID	Effective Date Status				
Administrative Officer	21786	NON-REP				
Application Services Supvr.	61439	NON-REP				
Application Services Supvr.	29536	NON-REP				
Utility Division Mgr. II	62848	NON-REP				
ML&P (System Network Services)						
Position Description	EE ID	Effective Date Status				
Info Center Consultant I	32697	GEN				
Network Analyst	27730	GEN				
Network Technician III	63215	GEN				
Systems Analyst	62745	GEN				
ML&P (System Programmers)						
Position Description	EE ID	Effective Date Status				
Systems Programmer II	24219	GEN				
Data Base Administrator II	29504	GEN				
Data Base Administrator II	24366	GEN				
Info Center Consultant II	32707	GEN				
Senior Admin Officer	63125	NON-REP				
Systems Analyst	29641	GEN				
Systems Analyst	27354	GEN				
Systems Analyst	32696	GEN				
Systems Analyst	24332	GEN				
Systems Analyst Supvr.	27407	NON-REP				
Info Center Consultant II	26298	GEN				
ML&P (SCADA)						
Position Description	EE ID	Effective Date Status				
Network Analyst	29064	TBD				
Senior Systems Analyst	63016	TBD				
Systems Analyst	63372	TBD				
Systems Analyst	63440	TBD				
Info Center Consultant II (SCADA)	27947	TBD				

Engineering: The parties agree that supervisory Engineering positions with supervisory duties will not be included in the Chugach Bargaining unit agreements (see list below). The parties recognize that some ML&P Engineering positions are (see list below) in represented classifications with duties similar to those in Chugach non-represented positions. The parties agree that the ML&P Engineering Positions will be placed in the Office and Engineering Bargaining Unit performing duties equivalent to Chugach Office and Engineering Bargaining Unit positions. Tasks not covered by current Chugach Office and Engineering Bargaining Unit classifications will be Chugach non-represented. The Employees in positions with a Replacement Status of Non-Rep. will be considered as bargaining unit employees temporarily performing non-represented work until the employee separates employment consistent with the terms of the Chugach O&E CBA and Chugach's policies and procedures. Once separated Chugach shall be free to refill the position with a non-represented employee or not at all.

Engineers in Training in the ML&P Customer Engineering Unit will be classified as Chugach Designers with their grade level to be determined by classification committee. They will perform bargaining unit work consistent with the existing Chugach classifications.

Position Description	EE ID	Effective Date Status	Replacement Status			
Utility Division Mgr. II	63183	Non-Rep.	Non-Rep			
ML&P Engineering (Customer Engineering)						
Position Description	EE ID	Effective Date Status	Replacement Status			
Engineer in Training	60561	O&E	O&E			
Engineer in Training	63225	O&E	O&E			
Engineer in Training	61372	O&E	O&E			
Engineer in Training	63256	O&E	O&E			
Service Design & Extension Coord.	60374	O&E	O&E			
ML&P Engineering (Engineer Support)						
Position Description	EE ID	Effective Date Status	Replacement Status			
CPR Engineer	30612	O&E	O&E			
CPR Senior Clerk	60069	O&E	O&E			
Engineering Asst III	63558	O&E	O&E			
Engineering Asst III	62364	O&E	O&E			
Engineering Asst III	62486	O&E	O&E			
Engineering Asst III	63135	O&E	O&E			
Engineering Asst III	27779	O&E	O&E			
Engineering Asst III	62774	O&E	O&E			
Engineering Asst V	63453	O&E	O&E			
ML&P Engineering (Line Design)						
Position Description	EE ID	Effective Date Status	Replacement Status			
Associate Engineer	22095	O&E	Non-Rep.			
Associate Engineer w/PE	62910	O&E	Non-Rep.			
Engineer In Training	30234	O&E	O&E			
Senior Engineer w/PE	60560	O&E	Non-Rep.			
Superintendent	28409	Non-Rep.	Non-Rep.			

ML&P Engineering (Project Management)

ML&P Engineering (Station Design)

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Position Description	EE ID	Effective Date Status	Replacement Status
Engineer in Training	62570	O&E	O&E
Engineer in Training	28570	O&E	O&E
Light & Power Engineer	63196	Non-Rep.	Non-Rep.
Senior Engineer w/PE	60576	O&E	Non-Rep.
Senior Engineer w/PE	29928	O&E	Non-Rep.
Senior Engineer w/PE	21625	O&E	Non-Rep.
ML&P Generation (Admin1)			
Position Description	EE ID	Effective Date Status	Replacement Status
Associate Engineer w/PE	28908	O&E	Non-Rep.
Engineer in Training	62830	O&E	TBD
Senior Engineer w/PE	23998	O&E	Non-Rep.

Special Agreement Employees:

The parties recognize that there are ML&P Bargaining Unit members employed in nonrepresented positions via special agreements through the date of closing. The parties agree that these ML&P bargaining unit members will be offered the choice of an equivalent nonrepresented position with Chugach or to return to their former bargaining unit classification in the appropriate Chugach Bargaining Unit via the classification committee process.

ML&P Distribution Dispatch Classifications:

ML&P has distribution dispatch tasks that are performed by non-represented classifications. The parties agree that these ML&P employees will be added to the CEA generation bargaining unit, and distribution dispatch tasks that are similar to those performed by Chugach represented classifications shall be transferred to the Chugach Generation Bargaining Unit. ML&P distribution dispatch tasks that are not similar to Chugach Generation Bargaining Unit work will remain non-represented at Chugach. The intent of this provision is to preserve represented work (to IBEW) and to preserve non-represented work (to Chugach) that is performed by these ML&P Distribution Dispatch positions.

ML&P Gas Accounting Tasks:

ML&P has gas/fuel accounting tasks performed that are performed by a represented classification. The parties agree that gas/fuel accounting tasks will remain non-represented work at Chugach.

Remaining ML&P Bargaining Unit Positions:

During the period from January 23, 2018, through the closing of the sale, the parties agree to work diligently to assign existing ML&P classifications to an appropriate bargaining unit within one of the three Chugach units. The intent of this provision is to preserve represented work (to IBEW) and to preserve non-represented work (to Chugach) that is performed by the remaining positions. Duties that are represented at ML&P and do not exist at Chugach will remain represented unless the duties are supervisory in nature. Duties that are represented at ML&P and are non-represented at Chugach will generally become non-represented.

The Classification committee process in each of the Chugach CBAs will be used to assign ML&P bargaining unit positions to the appropriate Chugach classification, subject to the following process and exceptions:

The IBEW Business Manager shall appoint the two union representatives to the Classification Committee. Unless notice is provided otherwise, Dusty Menefee and Julius Matthew will serve as the union representatives to the Classification Committee. The two management representatives or two union representatives on the Classification Committee may ask any relevant ML&P or Chugach employees to attend the meetings as advisory, non-voting information resources.

In addition to determining classification, the committees will determine relevant/applicable experience within the new classification as a determination of in-class seniority. If the Committee does not agree or if there is a tie vote (on whether work is represented or non-represented, which bargaining unit should perform the work, the appropriate pay grade or in class experience/seniority) the issue will be decided by an arbitrator pursuant to the grievance and arbitration procedures in the relevant collective bargaining agreement. The arbitrator's authority shall extend only to issues whether work is represented or non-represented, which bargaining unit should perform the work, appropriate pay grade or in class experience/seniority.

Seniority:

The parties agree that, in the case of the O&E Agreement, separate seniority lists shall be maintained until O&E facilities or work groups are merged. Transferred ML&P employees shall be given the first opportunity to work overtime, take call-outs, work standby, and bid on positions at pre-existing ML&P facilities or work groups. All other Chugach employees shall be given the first opportunity to work overtime, take call-outs, work standby, and bid on positions at pre-existing Chugach facilities or work groups. Once the facilities or work groups are merged, seniority lists shall be merged with service at both ML&P and Chugach being considered the same, based on date of hire into the Chugach O&E or former ML&P bargaining unit.

For the GEN Agreement, separate seniority lists shall be maintained for transferred ML&P employees and all other Chugach employees. Transferred ML&P employees shall be given the first opportunity to work overtime, take call-outs, work standby, and bid on positions at pre-existing ML&P facilities. All other Chugach employees shall be given the first opportunity to work overtime, take call-outs, work standby, and bid on positions at pre-existing Chugach generation facilities. The seniority lists shall be merged no earlier than July 1, 2021, as the work groups are combined. With the seniority lists merged and the work groups combined, bargaining unit members will be eligible for overtime, call-outs, standby, and bidding consistent with the existing GEN Agreement.

The parties agree that, in the case of the Information Services positions under the Chugach GEN collective bargaining agreement, separate seniority lists shall be maintained until Information Services systems, work groups or facilities are combined. Transferred ML&P employees shall be given the first opportunity (where applicable) to work overtime, take call-outs, work standby, and bid on positions at pre-existing ML&P systems, facilities, or work groups. All other Chugach employees shall be given the first opportunity to work overtime, take call-outs, work

standby, and bid on positions at pre-existing Chugach systems, facilities, or work groups. Once the systems, facilities, or work groups are combined, seniority lists shall be merged based on date of hire into the Chugach GEN bargaining unit. Nothing in this section will preclude ML&P and Chugach Information Services employees from working together to facilitate the integration of the various information systems that support Chugach and ML&P.

For the OSP Agreement, separate seniority lists shall be maintained for transferred ML&P employees and all other Chugach employees. Transferred ML&P employees shall be given the first opportunity to work overtime, take call-outs, work standby, and bid on positions in what was previously the ML&P service area. All other Chugach employees shall be given the first opportunity to work overtime, take call outs, work standby, and bid on positions in what was previously the Chugach service area. The seniority lists shall be merged no earlier than July 1, 2021, as the work groups are combined. With the seniority lists merged and the work groups combined, bargaining unit members will be eligible for overtime, call-outs, standby, and bidding consistent with the existing OSP Agreement.

Operational Issues/Work Rules:

In recognition of the economic and other job protections afforded to ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units, the parties agree that when this Transition Agreement takes effect the ML&P bargaining unit, the ML&P collective bargaining agreement (ML&P CBA), and the ML&P CBA job classifications shall cease to have any force as to Chugach.

Following Municipality of Anchorage voter approval of an ordinance to dispose of ML&P to Chugach, Chugach will initiate a period of due diligence and operational review to confirm the details of the sale and reach a Definitive Agreement with the Municipality of Anchorage for the sale of ML&P to Chugach.

This period of due diligence and operational review is critical for Chugach's understanding of ML&P and critical to Chugach's ability to bargain with the IBEW regarding the integration of ML&P employees into the Chugach CBAs.

Following the completion of the Definitive Agreement between Chugach Electric and the Municipality of Anchorage, Chugach and IBEW will enter into bargaining to negotiate work rules appropriate to the combined operations of the utility (Chugach and the former ML&P). However, if the parties are unable to reach mutual agreement on the modified work rules, the terms of the Chugach CBAs will prevail through the term of this agreement.

Dispute Resolution Process Applicable to the Transition Agreement:

The parties recognize that disputes can arise even in the best labor management relationships and that the prompt resolution of disputes is vital to positive labor relations. The acquisition of one organization by another represents a unique circumstance in the relationship of the parties and the expeditious resolution of disputes that arise under this Transition Agreement is even more critical given the unique circumstances of the acquisition of ML&P by Chugach.

A dispute is defined as an alleged violation of the terms of this Transition Agreement.

For the purpose of this Dispute Resolution Process days means calendar days.

A claimed violation of this Transition Agreement must be noticed in writing by IBEW to Chugach within thirty (30) days of the alleged violation.

By mutual written agreement the parties may extend process timelines, hold disputes in abeyance, or stop the process to facilitate resolution.

Step One: The designated IBEW business representative for the Chugach CBAs will contact the designated executive representative of Chugach to initiate discussions regarding the alleged violation of this Transition Agreement. The parties will have fourteen (14) days to hold meetings and try to reach a mutually agreeable resolution. If the parties are unable to reach a mutual agreement to resolve the issue within fourteen (14) days; IBEW shall present a written statement of grievance to Chugach within seven (7) days after the end of the initial fourteen (14) day period.

Step Two: After the receipt of the written grievance, the parties will have fourteen (14) days to hold meetings and try to reach a mutually agreeable resolution. If the parties are unable to reach a mutual agreement to resolve the issue within fourteen (14) days; Chugach shall present a written response to the grievance to IBEW within seven (7) days after the end of the second fourteen (14) day period.

Step Three: After the receipt of the Employer's written response to the grievance, the IBEW shall have fourteen (14) days to submit, in writing, the dispute to Arbitration.

Arbitration

To ensure the prompt resolution of a dispute that arises from the application of this Transition Agreement the parties mutually agree to the following Arbitration procedure.

The parties will seek to find a mutually agreeable Arbitrator based in Alaska from a road system community. If the parties are unable to mutually agree on an Alaskan arbitrator the parties will use the following AAA process:

The Union shall submit a request to the Seattle Office of the American Arbitration Association (AAA) for a panel of eleven (11) potential arbitrators from Alaska, Washington, or Oregon. A copy of the request shall be sent to the Employer. After receipt of the panel from AAA, the parties shall select an arbitrator using the strike method. The order for striking shall be determined by the toss of the coin; the Union Representative shall toss the coin and the management representative shall call heads or tails. The arbitration hearing shall be conducted consistent with the rules established by AAA.

It is mutually understood and agreed that arbitration hearings will be conducted without unnecessary delay. Each party shall be given reasonable opportunity to be heard by its representatives, and to produce witnesses and documentary evidence and to cross-examine.

Authority of the Arbitrator:

The Arbitrator's authority shall be limited as follows:

- The Arbitrator shall consider only the particular issue or issues presented in writing by Chugach and IBEW which have been processed through the Dispute Resolution Process.
- The arbitrator shall have the power to interpret the terms of this Transition Agreement, but the arbitrator's decision shall be based solely on the existing terms of this Transition Agreement, and the arbitrator shall not have the power to add to, subtract from or modify any of the terms of the Agreement.
- The arbitrator shall have no power to establish wage rates, job classifications or fringe benefits of any kind. However, the arbitrator shall have the power to determine job grades pursuant to an appeal from the classification committee.
- The arbitrator shall designate the losing party and the losing party shall pay the arbitrator's fees, expenses, and costs of arbitration. If neither party is designated the losing party, the arbitrator shall split, between the parties the fees, expenses, and costs of arbitration.

Although no formal rules of evidence are contemplated by this Transition Agreement, the arbitrator shall determine the admissibility of evidence, admissibility being principally a matter of relevancy, materially and the avoidance of undue repetition. Each of the parties hereto agrees to produce all books, records and documents or other materials, or certified copies thereof, which, in the opinion of the arbitrator, are relevant to the issues of the grievance. The parties will first seek to resolve claims of confidentiality or privilege by mutual agreement. Failing mutual agreement, the arbitrator will resolve any claims of confidentiality or privilege related to information requests from either party.

The judgment of the Arbitrator shall be final and conclusive on Chugach and IBEW. The parties further agree that, from the time Chugach first was notified of the grievance until it is ultimately resolved, including the entry of the judgment of the Arbitrator when the grievance has been submitted to arbitration, the subject of the controversy will remain status quo as of the time the grievance was first noticed.

Appeal of the Arbitrator's Award:

Should there be an appeal of the Arbitrator's award; the appeal shall be subject to the process for judicial review of arbitration awards arising out of collective bargaining agreements between unions and employees governed by Section 301 of the Labor Management Relations Act (LMRA) and the federal common law governing review of arbitration awards in labor cases.

ML&P CDL Holders: The Parties agree that Chugach will pay the cost of any transferred ML&P employee's physical exam in order to renew or maintain his or her CDL within 90 days, prior to the closing of the sale, consistent with existing Chugach policies, practices, and agreements.

This Transition Agreement shall expire on June 30, 2025.

AGREED:

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For IBEW: David Reaves, Business Manager

11-19-18 Date

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For Chugach: Lee Thibert, Chief Executive Officer

19/18 11 Date