

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

REGULAR BOARD OF DIRECTORS' MEETING

AGENDA

Bettina Chastain, Chair
Susan Reeves, Director
Rachel Morse, Treasurer
Stuart Parks, Secretary

Harry T, Crawford, Jr., Director
Jim Henderson, Director
Harold Hollis, Director

January 23, 2019

4:00 p.m.

Chugach Boardroom

I. CALL TO ORDER

- A. *Pledge of Allegiance*
- B. *Roll Call*
- C. *Safety Minute – “Backcountry Safety” (Freeman)*

II. APPROVAL OF THE AGENDA*

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA*

- A. *Board Calendar*
 - 1. *2019 Strategic Planning Dates (currently scheduled April 25-26 & August 28-30)*
 - 2. *Board Training – Mergers and Acquisitions (not scheduled at this time)*
- B. *Training and Conferences*
 - 1. *Gettysburg Leadership Experience, April 16-18, 2019, Gettysburg, PA
(Deadline for conference and hotel registration is February 8, 2019)*
- C. *Minutes*
 - 1. *December 19, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

V. CEO REPORTS AND CORRESPONDENCE

- A. *4th Quarter 2018 Safety Report (Freeman/Andrews)*
- B. *Member Attitude Survey (Hasquet/Andrews)*
- C. *November 2018 Financial Statements and Variance Report (Harris/Curran)*

VI. DIRECTOR REPORTS

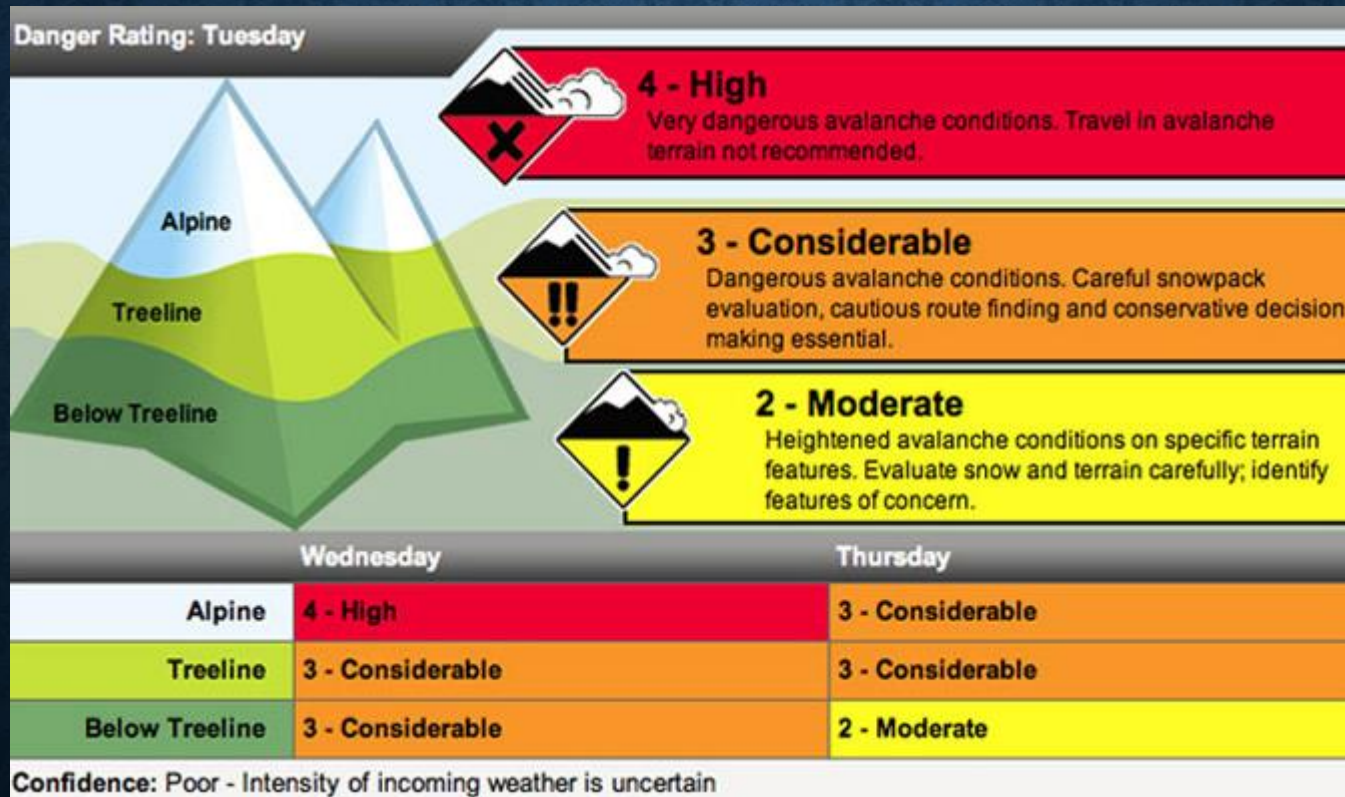
- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
- C. *Other Meeting Reports*

- VII. UNFINISHED BUSINESS (*none*)
- VIII. NEW BUSINESS* (*scheduled*)
 - A. *Appointment of 2019 CFC Voting Delegate and Alternate* (Board)*
 - B. *Board Policy 502 Contributions* (Ayers/Resnick/Miller)*
- IX. EXECUTIVE SESSION* (*scheduled*)
 - A. *2019 State Legislative Briefing*
 - B. *Alaska Power Association Membership*
 - C. *Eklutna Dam*
 - D. *Financial Matters*
 - E. *Chugach Campus Renovations & Remodel Project*
 - F. *ML&P Acquisition Update*
 - 1. *IMO Update*
 - 2. *ML&P Acquisition RCA Filing Update*
 - 3. *IBEW Labor Agreements*
 - G. *Status of Community Solar and Green Energy Program*
 - H. *On-Going Strategic Matters*
 - 1. *Initiatives Under Consideration*
 - 2. *Outstanding Risks to the Association*
 - I. *Transco / RRC Update*
 - J. *Chief Executive Officer Key Performance Indicators*
 - K. *Board Self Evaluation*
- X. NEW BUSINESS* (*continued*)
 - A. *Alaska Power Association Membership* (Board)*
 - B. *Approve IBEW Labor Agreements* (Andrews)*
 - C. *Financial Matters* (Highers)*
- XI. DIRECTOR COMMENTS
- XII. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

WHAT CAN WE LEARN FROM BACKCOUNTRY SAFETY?



- 
- An aerial photograph of a snow-covered mountain slope. The snow is uneven, with numerous tracks and ruts winding across the surface, suggesting a path or a series of runs. The sky is clear and blue. The overall scene is a high-altitude, snowy environment.
- Safety begins with awareness- Take a class- Get smart
 - Pre-trip planning – check daily reports – know before you go
 - Understanding of your risk profile – It can happen
 - Importance of safety equipment
 - Need learn by doing – Practice

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- A. *4th Quarter 2018 Safety Report (Freeman/Andrews)*
- B. *Member Attitude Survey (Hasquet/Andrews)*
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- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
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- XII. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

January 2019

December 2018						
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February 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		New Year's Day Holi				
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13	<ul style="list-style-type: none"> 11:00AM REAP's Board Meeting (Morse/Henderson) (NeighborWorks Alaska (2515 A Street)) 		<ul style="list-style-type: none"> 1:00PM ARCTEC Board Meeting (APA) 			
14	15	16	17	18	19	20
21	<ul style="list-style-type: none"> 10:00AM Review Board Packet (Chastain/Reeves) (LDT's Office) 7:00PM Girdwood Board of Supervisors Meeting (Girdwood Community Room) 		<ul style="list-style-type: none"> 3:00PM Chastain - Board Video (BoardroomCR) 3:15PM Crawford - Film Board Video (BoardroomCR) 3:30PM Morse - Board Video (BoardroomCR) 3:45PM Parks - Board Video (BoardroomCR) 4:00PM Regular Board of Directors Meeting (All) (Boardroom) 			
27	28	<ul style="list-style-type: none"> 8:30AM NRECA Director Training: Ethics and Governance: Implementing the New Accountability (Juneau, AK) 5:30PM Election Committee Meeting (Crawford) (BoardroomCR) 	APA Legislative Confere... ♦ Juneau, AK			
29	30	<ul style="list-style-type: none"> 7:30AM APA Breakfast (Crawford/Morse) (West...) 1:30PM Mtg w/Rep Tuck (Crawford/Morse) 2:00PM Mtg w/Rep Rasmussen (Crawford/M...) 2:30PM Mtg w/Gray-Jackson (Crawford/Morse) 3:00PM Mtg w/Rep Johnston (Morse/Crawford) 3:30PM Mtg w/Rep Spohnholz (Crawford/Mo...) 4:00PM Mtg w/Rep Josephson (Crawford/Mo...) 5:30PM APA Legislative... 	<ul style="list-style-type: none"> 7:00AM APA Breakfast (Crawford/Morse) (Westmark Hotel Treadwell Room) 			
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February 2019

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March 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		<ul style="list-style-type: none"> 8:30AM NRECA Director Training: Ethics and Governance: Implementing the New Accountability (Juneau, AK) 5:30PM Election Committee Meeting (Crawford) (BoardroomCR) 	<ul style="list-style-type: none"> 7:30AM APA Breakfast (Crawford/Morse) (Westmark Baranof Hotel...) 1:30PM Mtg w/Rep Tuck (Crawford/Morse) 2:00PM Mtg w/Rep Rasmussen (Crawford/M...) 2:30PM Mtg w/Gray-Jackson (Crawford/Morse) 3:00PM Mtg w/Rep Johnston (Morse/Crawford) 3:30PM Mtg w/Rep Spohnholz (Crawford/Mo...) 4:00PM Mtg w/Rep Josephson (Crawford/Mo...) 5:30PM APA Legislative Reception (Crawford/Mor... 	<ul style="list-style-type: none"> 7:00AM APA Breakfast (Crawford/Morse) (Westmark Hotel Treadwell Room) 		
27	28	29	30	31	1	2
		<ul style="list-style-type: none"> 5:30PM Election Committee Meeting (Crawford) (BoardroomCR) 	<ul style="list-style-type: none"> 4:00PM Operations Committee Meeting - Followed by Special Board of Directors Meeting (BoardroomCR) 			Directors Conferen
3	4	5	6	7	8	9
Directors Conference (Reeves) ♦ San Antonio, TX						
10	11	12	13	14	15	16
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	<ul style="list-style-type: none"> 10:00AM Review Board Packet (Chastain/Reeves) (LDT's Office) 		<ul style="list-style-type: none"> 3:15PM Henderson - Board Video (BoardroomCR) 3:30PM Hollis - Board Video (BoardroomCR) 4:00PM Regular Board of Directors Meeting (All) (Boardroom) 			
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March 2019

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April 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
24	<ul style="list-style-type: none"> 10:00AM Review Board Packet (Chastain/Reeves) (LDT's Office) 	26	<ul style="list-style-type: none"> 3:15PM Henderson - Board Video (BoardroomCR) 3:30PM Hollis - Board Video (BoardroomCR) 4:00PM Regular Board of Directors Meeting (All) (Boardroom) 	28	1	2
3	<ul style="list-style-type: none"> 4:00PM Audit and Finance Committee Meeting (SEC Filing Recommendations) (Chugach Boardroom) 	4	5	NRECA - Director Education - 3/7-3/10 - An... ♦ Orlando, FL		9
NRECA - Director Education		NRECA Annual Meeting (3/10 - 3/13) ♦ Orlando, FL ♦ Connie Owens				16
10	11	12	13	14	15	<ul style="list-style-type: none"> 6:00PM Chugach Spring Party (O'Malley's on the Green)
17	18	19	20	21	22	23
24	<ul style="list-style-type: none"> 10:00AM Review Board Packet (Chastain/Reeves) (LDT's Office) 4:00PM Audit and Finance Committee Followed by a Special Board of Directors Meeting (Morse, Reeves, Chastain, Henderson, Hollis) (BoardroomCR) 	26	<ul style="list-style-type: none"> 4:00PM Regular Board of Directors Meeting (All) (BoardroomCR) 	28	29	30
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April 2019

March 2019						
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May 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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14	15	Gettysburg Leadership Experience (He... ♦ Gettysburg, PA		<ul style="list-style-type: none"> 4:00PM - 5:00PM Board of Directors Candidate Forum (All) (boardroomcr) 	19	20
21	<ul style="list-style-type: none"> 10:00AM - 11:00AM Review Board Packet (Chastain/Reeves) (LDT's Office) 	23	<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR) 	Strategic Planning w... ♦ Anchorage, AK		27
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May 2019

April 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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5	6	7	<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance (Internal Controls) Followed by Special Board of Directors Meeting (All) (BoardroomCR) 	9	10	11
12	13	Gettysburg Leadership Experience - 5/1... ♦ Gettysburg, PA			17	18
19	<ul style="list-style-type: none"> 10:00AM - 11:00AM Review Board Packet Material (Chastain & Reeves) (LDT's Office) 	<ul style="list-style-type: none"> 6:00PM - 9:00PM Annual Meeting (All) (Dena'ina Center) 	<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR) 	23	24	25
26	<ul style="list-style-type: none"> Memorial Day ♦ Ur 	28	29	30	31	1

June 2019

May 2019						
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July 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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		APA Federal Legislative Conference (6/... ♦ Washington, DC)			Summer School for Di... ♦ Williamsburg, VA	
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Summer School for Directotrs (6/7 - 6/12) ♦ Williamsburg, VA						
● 1:00PM - 5:00PM Chugach Picnic (Alaska Zoo)						
9	10	11	12	13	14	15
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			● 4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)			
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				Independence Day		
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July 2019

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August 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				Independence Day		
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21	22	23	4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)	25	26	27
28	29	30	31	1	Summer School for Di... ♦ Branson, MO	
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August 2019

July 2019						
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September 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					Summer School for Di... ♦ Branson, MO	
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Summer School for Directors - 8/2 - 8/7 ♦ Branson, MO			<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR) 			
4	5	6	7	8	9	10
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		APA Annual Meeting (August 20-23) ♦ Juneau, AK				
18	19	20	21	22	23	24
		Strategic Planning (8/28-8/30) ♦ Anchorage, AK ♦ CCBOD				
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September 2019

August 2019						
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October 2019						
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	Labor Day ♦ Unitec					
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			4:00PM - 7:00PM Regular Board of Directors Meeting (All) (BoardroomCR)			
15	16	17	18	19	20	21
		NRECA Region IX ♦ Spokane, WA				
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October 2019

September 2019						
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November 2019						
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27	28	Gettysburg Leadership Experience for... ♦ Gettysburg, PA		31	1	2

● 4:00PM - 7:00PM
Regular Board of
Directors Meeting (All)
(BoardroomCR)

November 2019

October 2019						
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December 2019						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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3	4	<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance Committee Meeting (Budget and CIP) (BoardroomCR) 	<ul style="list-style-type: none"> 4:00PM - 7:00PM Audit and Finance Committee Meeting (BoardroomCR) 	7	8	9
10	11	12	13	14	15	16
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24	25	<ul style="list-style-type: none"> 11:45AM - 1:45PM Chugach Legislative Reception (Embassy Suites) 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 		Thanksgiving Day	Thanksgiving Holiday	30
		26	27	28	29	

December 2019

November 2019						
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January 2020						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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					Winter School for Dire... ♦ Nashville, TN	
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Winter School for Directors - 12/13 - 12/18 ♦ Nashville, TN			<ul style="list-style-type: none"> 4:00PM - 7:00PM Regular Board of Directors Meeting (BoardroomCR) 			
15	16	17	18	19	20	21
		Christmas Eve ♦ U	Christmas Day ♦ U			
22	23	24	25	26	27	28
		New Year's Eve ♦ l	New Year's Day ♦ l			
29	30	31	1	2	3	4

Gettysburg Leadership Experience for Co-op Leaders - Spring

Gettysburg, PA April 16 - 18, 2019

Step into a landscape where leadership lives. Designed for relevance and directed by seasoned guides and instructors, this program takes experiential learning to a higher level.

CLAIM YOUR HIGH GROUND

Gettysburg Leadership Experience

This experiential, multiday program designed for co-op CEOs, senior leaders and their board chairs and directors, examines the leadership styles, decisions and principles displayed by military leaders before, during and after the Battle of Gettysburg.

Gettysburg. For three tumultuous days in 1863, it was the backdrop for one of the Civil War's most dynamic encounters. Decisions made, opportunities missed, passions sparked and conversations avoided changed the course of our country. Today, this historically sacred setting is the site of a powerful, soles-on-the-ground program that looks to those leaders, lessons and legacy with a clear, contemporary purpose: to set the stage for you to prepare for your greatest challenges.

NRECA has partnered with FCC Services, a consulting firm that serves the Farm Credit System, to offer the Gettysburg Leadership Experience to electric cooperative CEOs, senior leaders and directors.

Through classroom discussion, video illustrations and visits to the battlefield, participants will learn how to apply these timeless leadership lessons to current organizational situations and challenges.

Using a case study method, the two and one-half day workshop will focus on:

- Anticipatory Leadership
- Clarity of Communication
- Transactional and Transformational Leadership
- Predictable Surprises and Negotiating Difficult Conversations

These modules were specifically selected to help cooperative CEOs and senior leaders, address contemporary issues facing our industry and your co-op and its workforce specifically. NRECA and FCC Services have worked together to hone and customize the case studies to ensure a solid connection with our industry.

Who Should Attend

This program is ideal for electric cooperative CEOs and senior leaders and directors or board chairs along with the CEO. Whether you intend to better your board, cooperative, or yourself, come claim your high ground. The program is limited to 30 participants.

NEW! Leadership Skills Assessment

Drawn from the Electric Cooperative Employee Competencies, our new [🔒 Leadership Skills Assessment](#) was designed to help you understand which of NRECA's supervisory, management and leadership courses and events may be most appropriate for you. [🔒 Learn more.](#)

Registration Fees

Attendee Registration	\$2950
Spouse/Guest Ticket (non-refundable)	\$140

Additional Dates

Gettysburg Leadership Experience for Co-op Leaders is being offered two additional times in 2019:

- September 17-19, 2019
- October 29-31, 2019

Frequently Asked Questions

Looking to earn credit?

Earn credits toward your Board Leadership Certificate (BLC).
If you've already earned your BLC credentials, earn the credits you need to achieve Director Gold status.

[LEARN MORE](#)

Schedule

Subject to change

ALL DAYS TUE. 04/16 WED. 04/17 THU. 04/18**TUE. 04/16**

- ⊕ 7:00am - 8:00am **Breakfast**
- ⊕ 8:00am - 11:30am **General Session**
- ⊕ 11:45am - 12:30pm **Lunch**
- ⊕ 12:30pm - 5:00pm **General Session**
- ⊕ 6:00pm - 8:45pm **Reception and Dinner**

WED. 04/17

- ⊕ 7:00am - 7:45am **Breakfast**
- ⊕ 7:45am - 12:00pm **General Session**
- ⊕ 12:00pm - 1:00pm **Lunch**
- ⊕ 1:00pm - 5:00pm **General Session**

THU. 04/18

- ⊕ 7:00am - 7:45am **Breakfast**
- ⊕ 7:45am - 12:00pm **General Session**

Hotel & Travel

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CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 19, 2018
Wednesday
4:00 PM

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:04 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair
Susan Reeves, Vice Chair
Stuart Parks, Secretary
Rachel Morse, Treasurer
Jim Henderson, Director
Harry Crawford, Director
Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert	Josh Resnick	Theresa Quigley
Paul Risse	Jody Wolfe	Marty Freeman
Brian Hickey	Renee Curran	James Mullican
Arthur Miller	Todd McCarty	John Pahkala
Sherry Highers	Andrew Laughlin	Melisa Yang
Tyler Andrews	Marty Freeman	Crystal Enkvist, APA
Matthew Clarkson	Ron Vecera	Michael Rovito, APA
Mark Fouts	Jean Kornmuller	Jim Bertrand, Stinson
Julie Hasquet	Sean Skaling	Leonard Street
Connie Owens	Kathy Harris	Kurt Strunk, NERA
Tom Schulman	Lynda Muise	(via teleconference)
		Beth Stuart, KPMG

C. Safety Minute

Marty Freeman, Safety discussed "New Year's Eve/Holiday Safety" and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

Director Hollis moved and Director Parks seconded the motion to approve the agenda. The motion passed unanimously.

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *NRECA Annual Meeting, March 7-13, 2019, Orlando FL (Deadline for conference and hotel registration is January 18, 2019)*
- C. *Minutes*
 - 1. *November 27, 2018, Special Board of Directors' Meeting (Quezon-Vicente)*
 - 2. *November 28, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

Chair Chastain reminded the Board to let Connie Owens know if interested in attending the NRECA Annual Meeting.

Director Morse moved and Director Parks seconded the motion to approve the consent agenda. The motion passed unanimously.

V. CEO REPORTS AND CORRESPONDENCE

- A. *Alaska Power Association (APA) Presentation (Enkvist)*
Crystal Enkvist, Executive Director, APA discussed membership and responded to questions from the Board.
- B. *October 2018 Financial Statements and Variance Report (Harris/Curran)*
Sherri Highers, Chief Financial Officer (CFO) and Sr. VP, discussed the October 2018 Financial Statements and Variance Report as well as a summary of the November 2018 Financials and responded to questions from the Board.
- C. *4th Quarter 2018 Railbelt Bill Comparison (Skaling/Miller)*
Lee Thibert, Chief Executive Officer (CEO), discussed the 4th Quarter 2018 Railbelt Bill Comparison.
- D. *Write-off of Accounts Receivable – Electric/Other (Kurka/Miller)*
Lee Thibert, CEO discussed the Write-off of Accounts Receivable – Electric/Other.
- E. *Innovative Services Committee Presentation (Committee)*
Lee Thibert, (CEO) introduced the Innovative Services Committee members.

Kate Ayers, Member and Energy Program Specialist, thanked Mr. Thibert for the introduction and also asked the rest of the Innovative Services Committee to stand from the audience to be identified. Kathy Harris, Manager, General Accounting and Sean Skaling, Manager, Business Development & Sustainability Program Development stood up from the audience.

Committee members, Kate Ayers, Member & Energy Program Specialist and Josh Resnick, Contracts & Projects Specialist, Melissa Yang, Plant Accountant II/III and Jean Kornmuller, Manager, Regulatory Affairs discussed the Innovative Services Committee Presentation and responded to questions from the Board.

VI. DIRECTOR REPORTS

A. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report

Director Crawford stated that there was not much activity at the November 30, 2018 ARCTEC meeting due to the Earthquake event. Director Henderson and Lee Thibert, CEO stated that the ARCTEC meeting was rescheduled for January 17, 2019.

B. Renewable Energy Alaska Project (REAP) Report

Director Morse reported on the December 10, 2018, REAP Strategic pre-planning and planning and she also stated that the next meeting will be for the Policy Committee on December 20, 2018.

C. Board Committee Reports (Audit and Finance, Operations & Governance)

Director Morse reported on the December 10, 2018, Audit and Finance Committee meeting.

Director Parks reported on the December 17, 2018, Operations Committee meeting.

Director Reeves stated that there has been no Governance Committee meeting and would like the Board to keep in mind about previous discussion in establishing an Advisory Council to start in January 2019. An amendment to Board Policy 502, the Board Qualifications and Meeting Fees under the Bylaws are also going to be taken up in January.

Director Henderson commented on having a periodic review of policies.

D. Other Meeting Reports

Directors Parks and Hollis reported on their attendance at the Winter Director School in Nashville, Tennessee.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. *Appointments of 2019 NRECA Voting Delegate and Alternate* (Board)*
Director Reeves moved and Director Morse seconded the motion that the Board of Directors appoints Susan Reeves as the NRECA Voting Delegate and Jim Henderson as the alternate. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Earthquake Damage Assessment Report*
B. *IMO Request for 2019 Consulting Services*
C. *3rd Quarter 2018 Fire Island Wind Report*
D. *4th Quarter 2018 Business Development and Sustainability Report*
E. *Cost of Capital Study and Authorized Time Interest Earned Ratios (TIER)*
F. *ML&P Acquisition Update*
G. *On-Going Strategic Matters*
 1. *Initiatives Under Consideration*
 2. *Outstanding Risks to the Association*

At 5:08 p.m., Director Parks moved and Director Reeves seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1) and (3) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 9:01 p.m.

X. NEW BUSINESS

- A. *ML&P Acquisition – Conditions to Signing Transaction Agreements** (Miller)*
Director Reeves moved and Director Crawford seconded the motion that the Chugach Board of Directors approve the attached Resolution authorizing the Chief Executive Officer to: 1) Execute and deliver the Asset Purchase Agreement under terms and conditions without substantive changes from the form attached thereto as Exhibit A; 2) Execute the ancillary agreements to the Asset Purchase Agreement as described in the Resolution under terms and conditions without substantive changes from the forms attached thereto as Exhibits B, C and D; 3) Execute and deliver all such further documents in the name of the Association as necessary; and, 4) Take all such other actions as the Chief Executive Officer shall deem necessary to carry out the transactions contemplated by the attached Resolution and Exhibits thereto. The motion passed unanimously.
- B. *Approve Integration Management Office (IMO) – 2019 Consulting Services** (Fouts)*
Director Morse moved and Director Parks seconded the motion that the Board of Directors' authorize the Chief Executive Officer to execute the Integration Management Office (IMO) consulting services agreements after the final APA

has been executed as discussed in Executive Session. The motion passed unanimously.

C. *Cost of Capital – Recommendation to Adjust Authorized Times Interest Earned Ratios (TIER)** (Miller)*

Director Morse moved and Director Reeves seconded the motion that the Chugach Board of Directors approve the attached Resolution authorizing the Chief Executive Officer to submit a filing to the Regulatory Commission of Alaska requesting approval to increase Chugach's system TIER from 1.35 to 1.55, increase the G&T TIER for both electric and natural gas operations from 1.10 to 1.35, and leave the Distribution TIER variable such that overall rates are set to achieve a system TIER of 1.55. The motion passed unanimously.

D. *Federal Public Assistance Grant for Earthquake Damage and Outage Response* (Vecera/Risse)*

Director Hollis moved and Director Reeves seconded the motion that the Board of Directors' approve the attached resolution authorizing and endorsing the preparation and submittal of a State Public Assistance Grant application and a FEMA claim to recover costs for earthquake-related damages and for mitigation funding to improve Chugach's ability to withstand future disasters. The motion passed unanimously.

E. *Quartz Creek Rebuild Construction Contract Approval* (Laughlin/Hickey)*

Andrew Laughlin, Sr. Manager, Transmission Substation and Engineering gave a presentation and discussed the Quartz Creek Rebuild Construction project. Mr. Laughlin and Matthew Clarkson, VP General Counsel responded to questions from the Board.

Director Morse moved and Director Reeves seconded the motion that the Board of Directors' approve the resolution authorizing the Chief Executive Officer to execute a construction contract with Northern Powerline Constructors (NPC), to rebuild nine miles of transmission line between Hope Substation and Summit Lake Substation, in the amount of \$5,714,019.93.

Director Parks abstain from voting. Chair Chastain called for a vote. The motion passed unanimously.

F. *Approval of 2019 Operating and Capital Budget* (Highers)*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors' approve the 2019 Operating and Capital Budget which is expected to produce margins of \$5.8 million, MFI/I ratio of 1.28, TIER ratio of 1.30 and Equity to Total Capitalization ratio of 31.9%. These results are based on a Total Cost of Service of \$202.4 million, Total Revenue of \$207.4 million, Non-Operating Margins of \$0.8 million, and a capital expenditure cash requirement of \$76.3 million. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 9:30 p.m., Director Hollis moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: January 23, 2019

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 23, 2019

ACTION REQUIRED

AGENDA ITEM NO. IV.D.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Director Expenses

DISCUSSION

The Director's expenses will be submitted for approval at the board meeting.

MOTION

(Consent Agenda)

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 16, 2019

TO: Lee Thibert, Chief Executive Officer
FROM: Tyler Andrews, Sr. Vice President, Employee Services and Communications
SUBJECT: *4th Quarter Safety Report 2018*

Year-end Safety Statistics- 4th Quarter

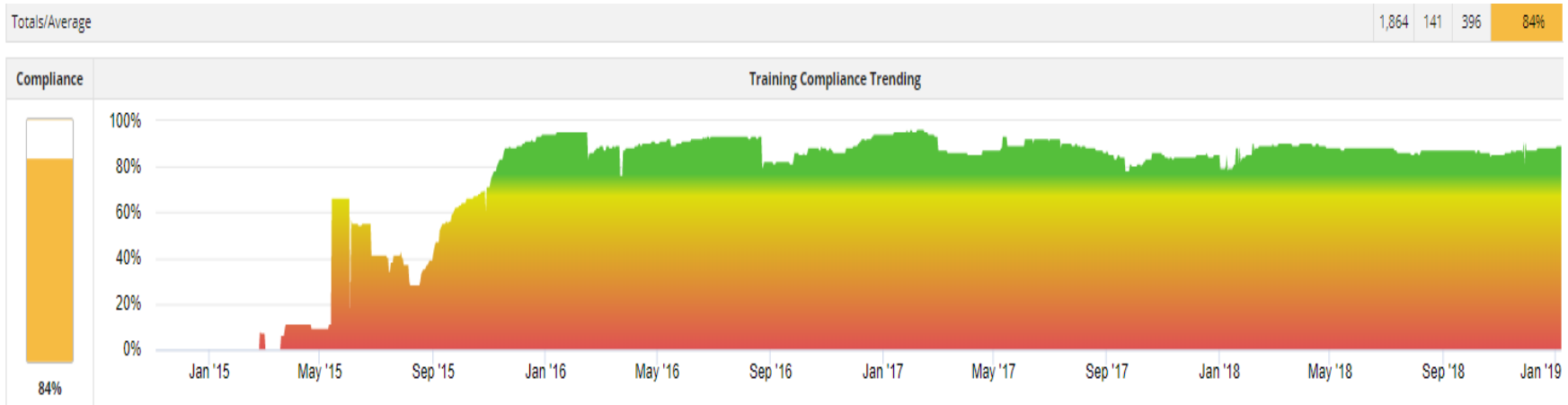
- Total Number of Recordable Injuries 7
- Number of Lost Work Day Recordable Injuries 4
- Preventable Incidents 1
- Lost Work Days 435
- Vehicle Incidents 1

Notable Items:

- Migrated our avalanche maps into a GIS environment, which enables mobile access as well as improves organizational integration with other data sources to include Snow Pilot and Smart Mountain. With this ability to integrate information, we have access to more data, which enhances our decision making when performing work in avalanche areas.
- Partnered with aviation consultant, Michael Buckland to develop an Aviation Safety Plan, which included development of minimum standards to be met by vendors providing aviation services to Chugach Electric Association.
- Post-earthquake assessment of the Eklutna tunnel provided an opportunity to review hi-risk work activities and identify key safe work practices as part of our risk management process. Our continued use of this management process helps us ensure work with hi risk work activities is formally identified before the work is performed and that associated hazards and control measures are systematically identified and communicated.

Safety Training:

- A primary incident prevention effort from the Safety Department is the delivery of safety training. Safety training topics contribute to employee knowledge, hazard identification and mitigation, required safe work procedures, and safety regulations. To date 84% of our training plan has been completed.

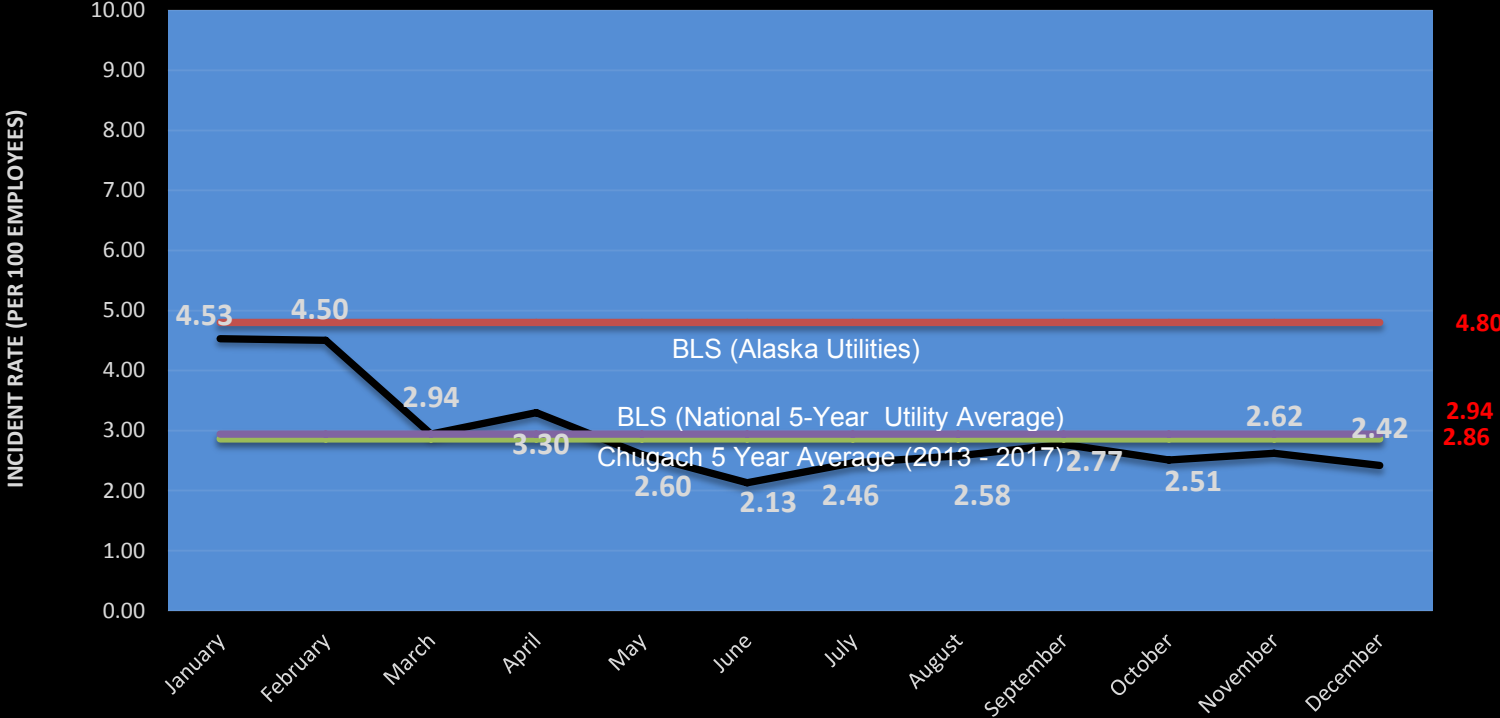


Account Specific Compliance

Table View: Supervisors & Personnel

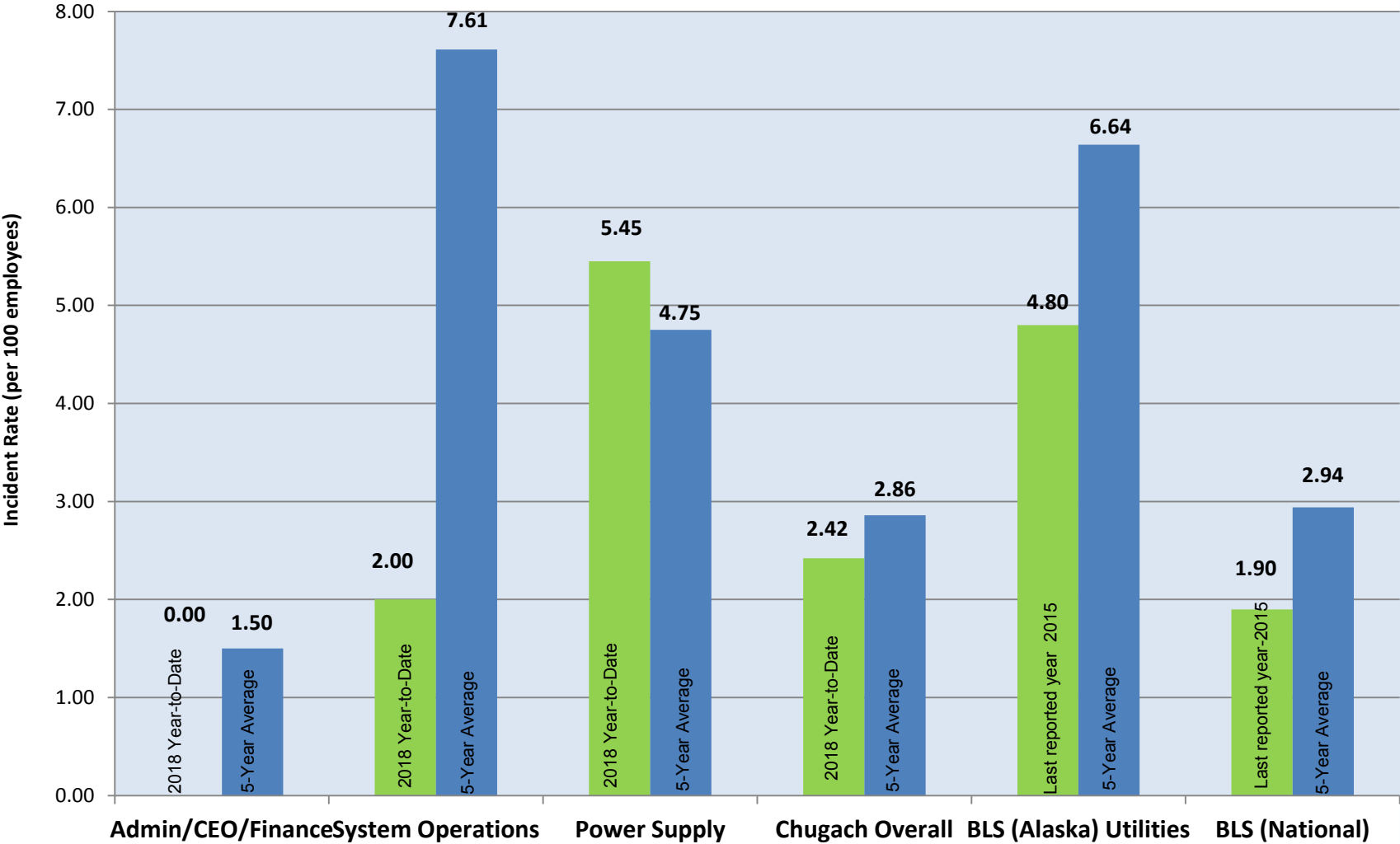
Account	# SUP	# PPL	Compliance
Chugach Electric Association Inc.	49	295	84%

Recordable Incident Rate 2018



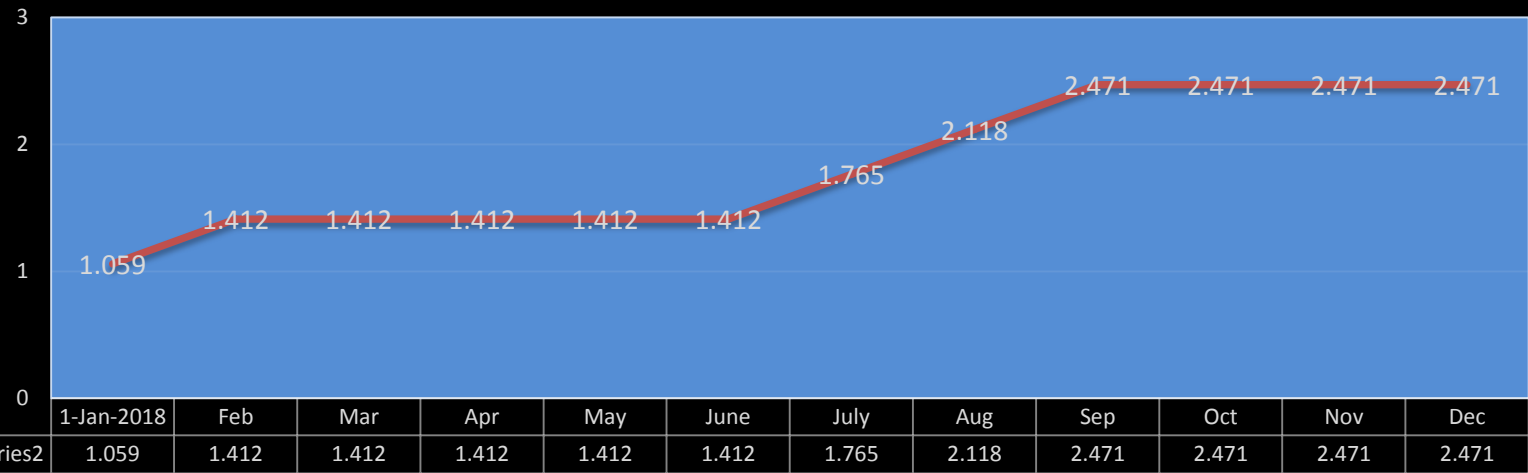
* Based on data reported to the Bureau of Labor Statistics (BLS) under NAICS Code 2211

Recordable Incident Rate 2018 by Group

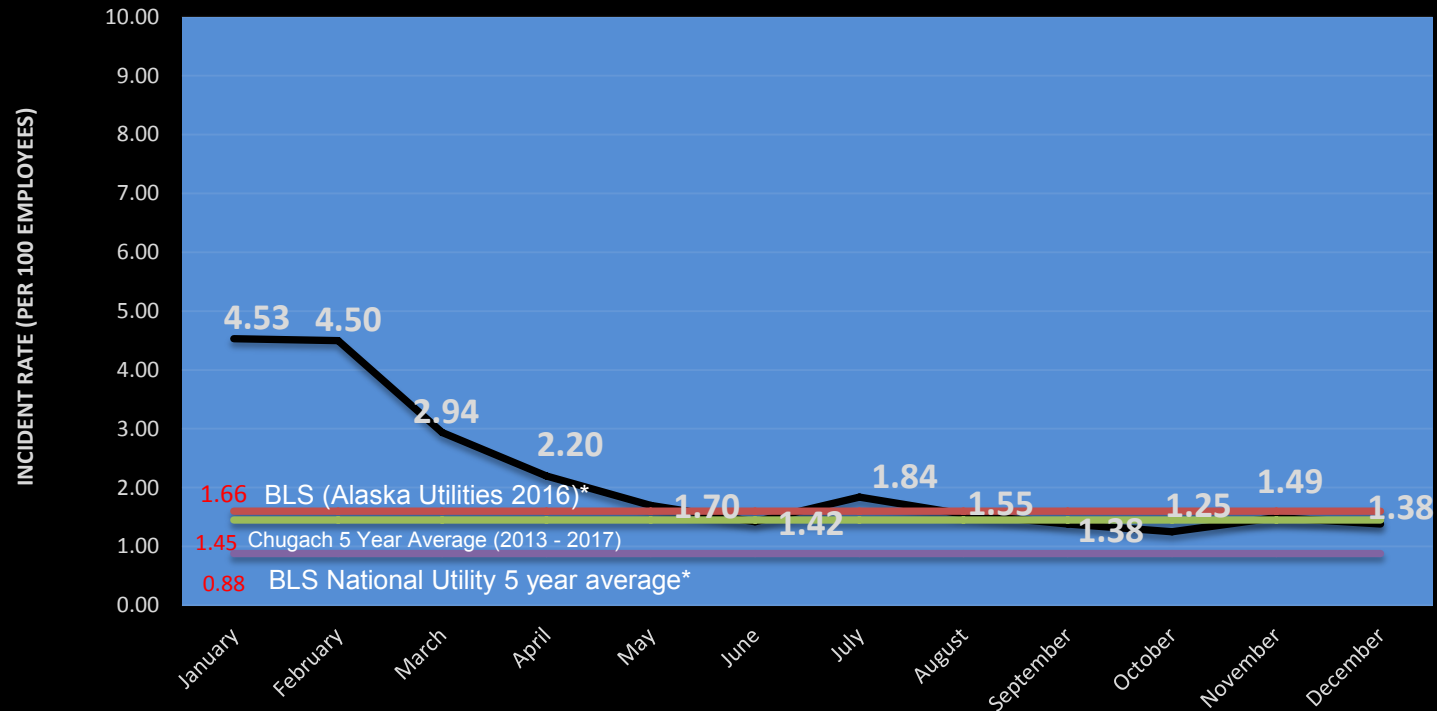


Recordable incident rate: 12 Month Rolling Average

INJURY RATE- 12 MONTH ROLLING AVERAGE

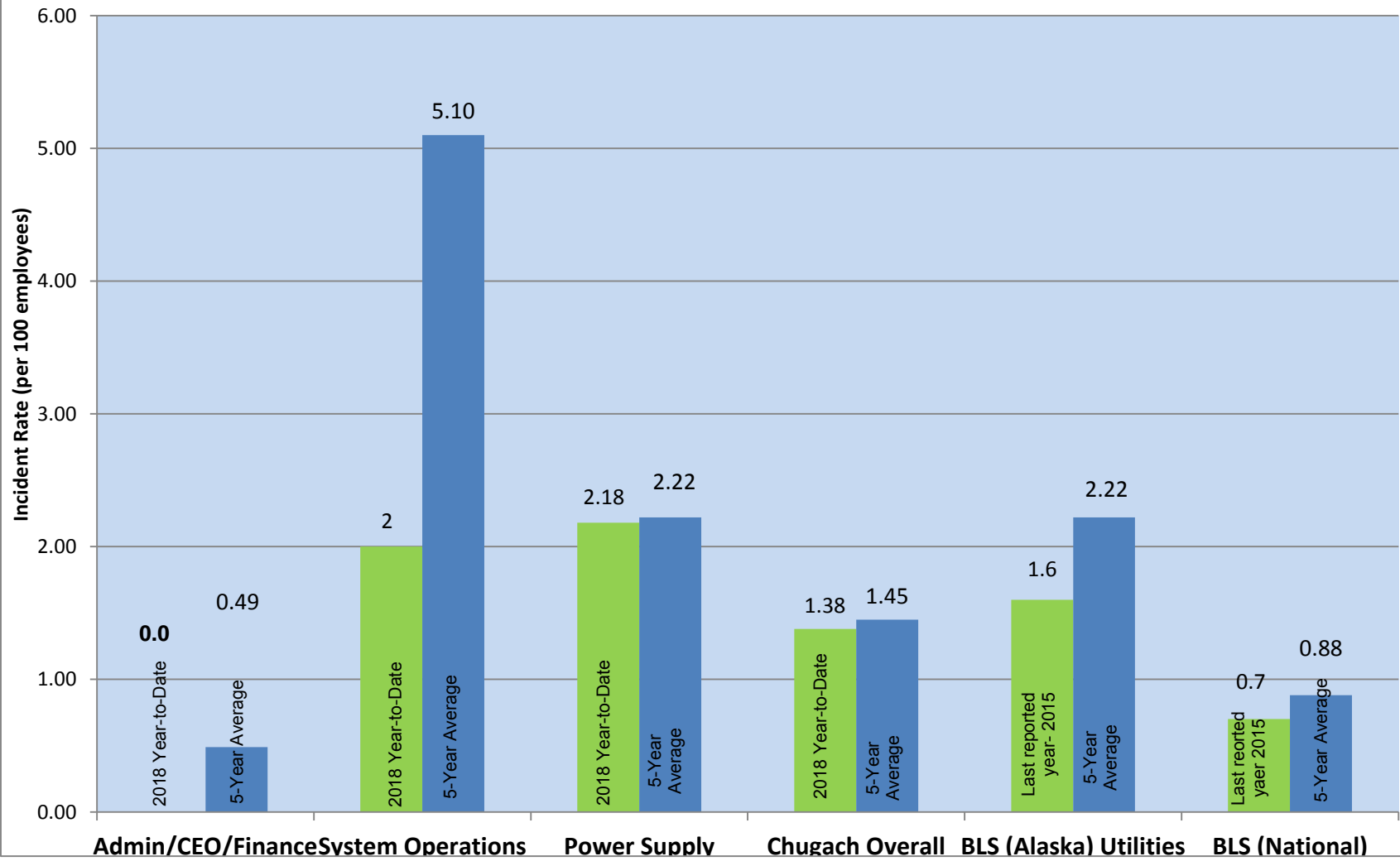


Lost Time Rate YTD 2018

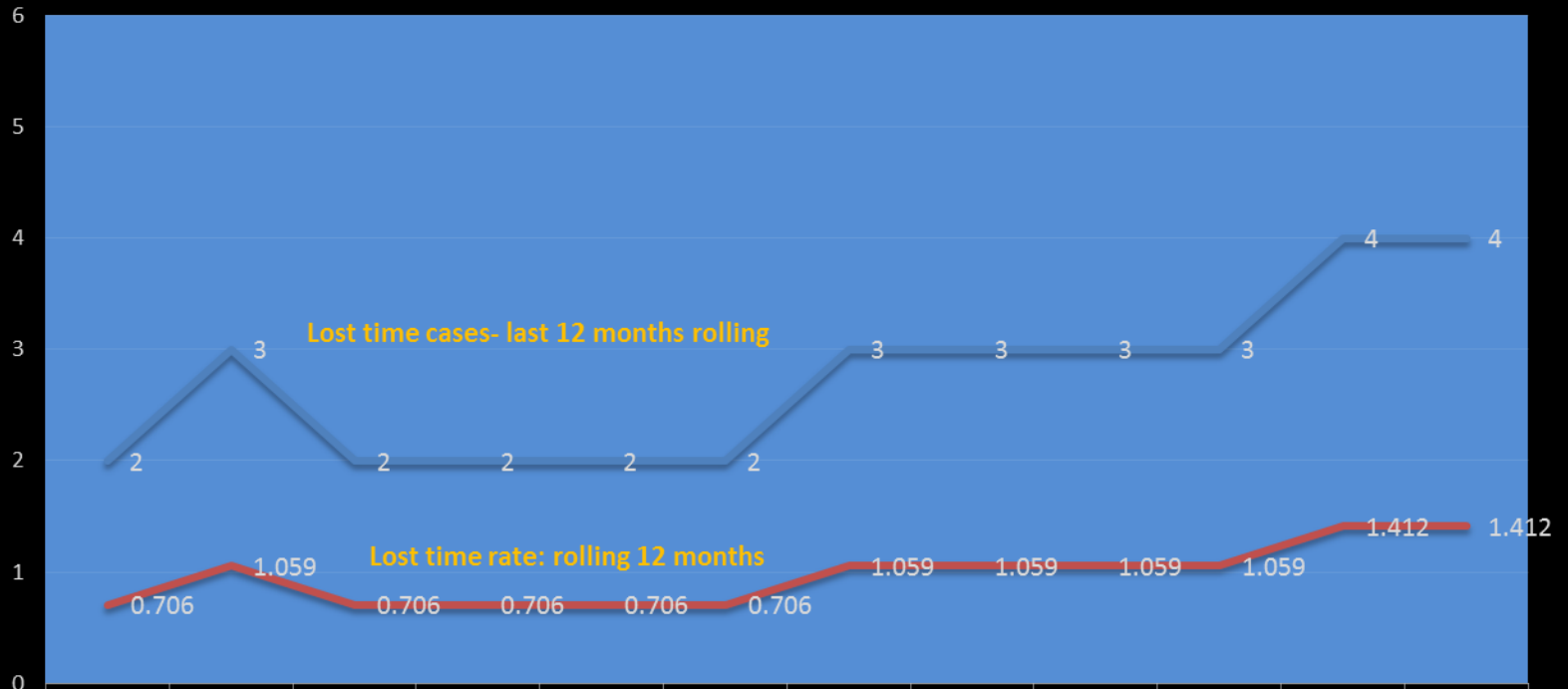


* Based on data reported to the Bureau of Labor Statistics (BLS) under NAICS Code 2211

Lost Time Rate 2018 YTD by Group

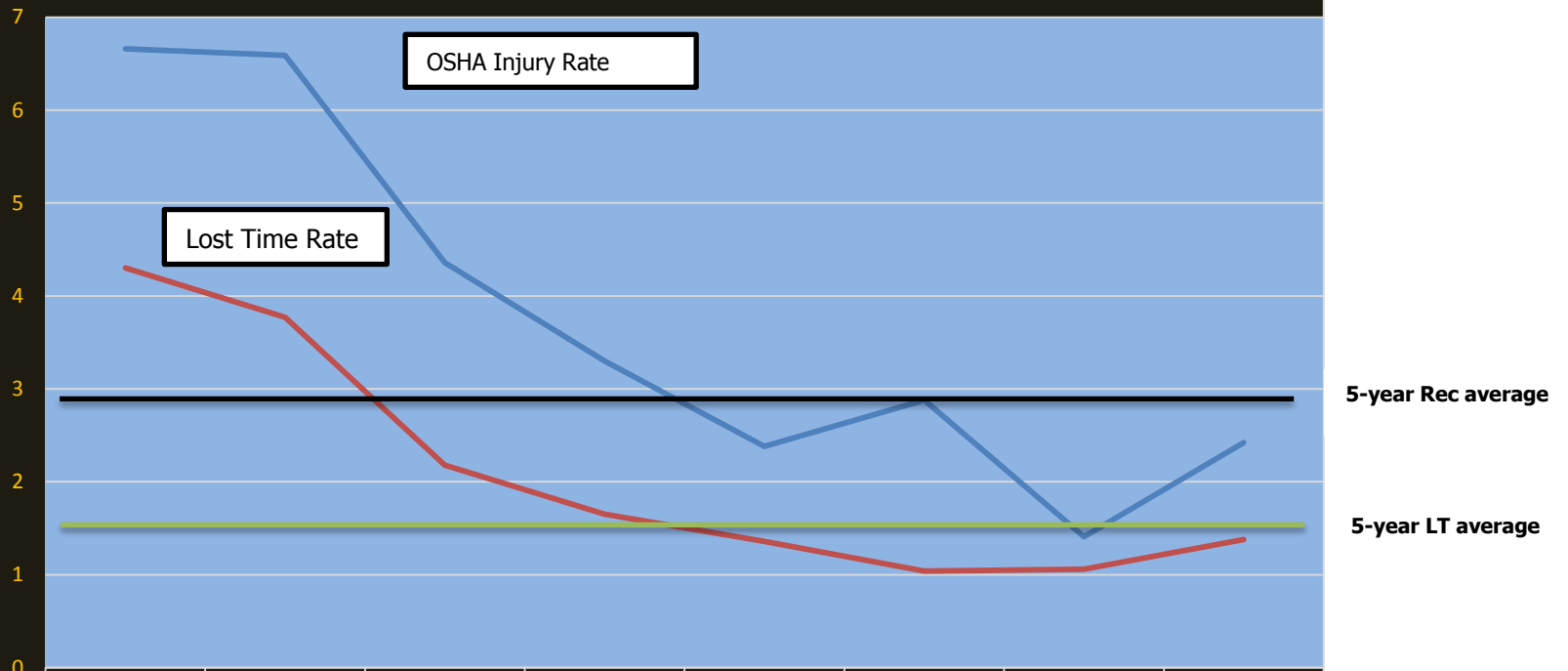


Lost time rate: rolling 12 months



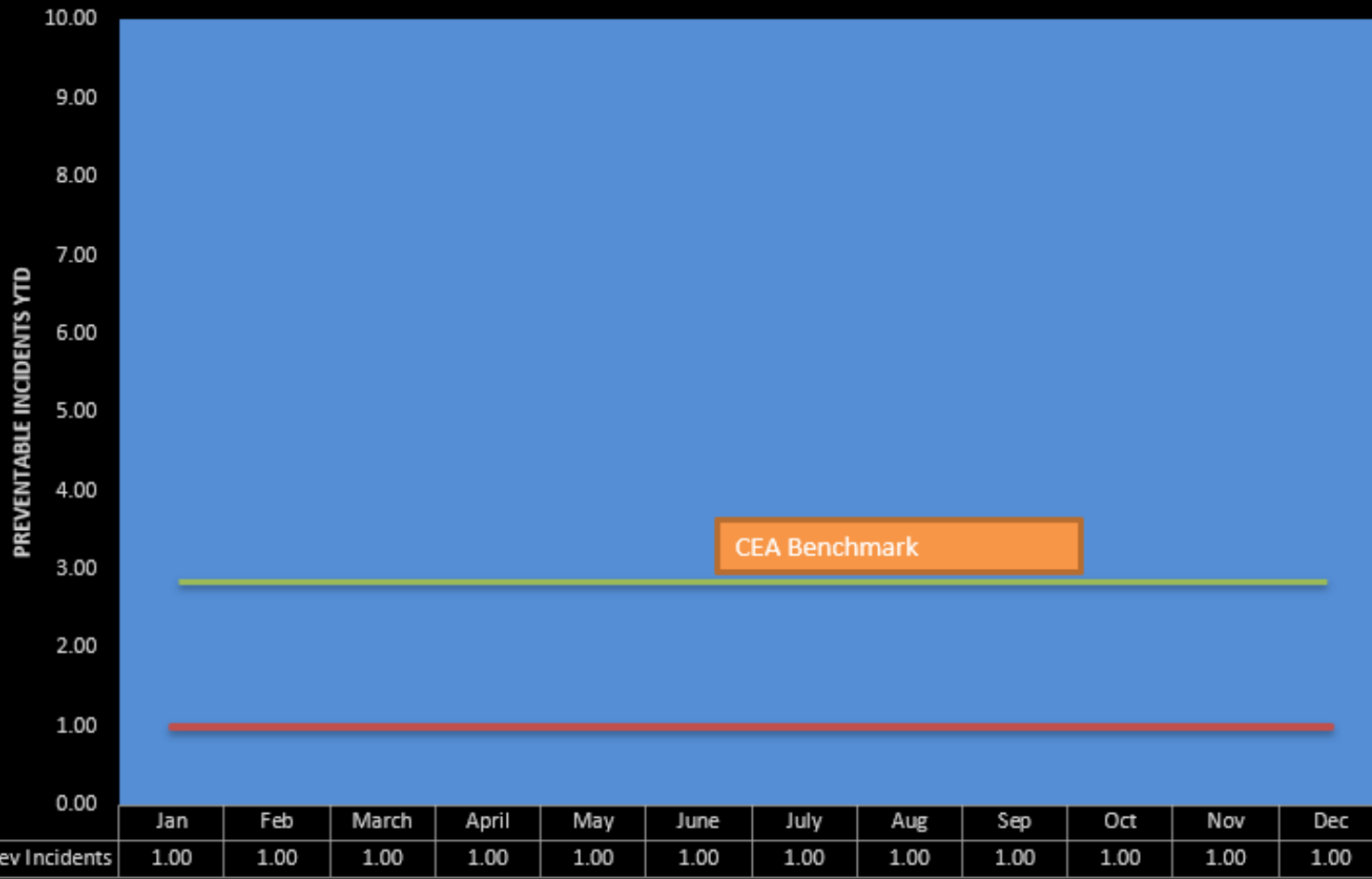
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Series1	2	3	2	2	2	2	3	3	3	3	4	4
Series2	0.706	1.059	0.706	0.706	0.706	0.706	1.059	1.059	1.059	1.059	1.412	1.412

OSHA Rec/Lost Time Trend Line

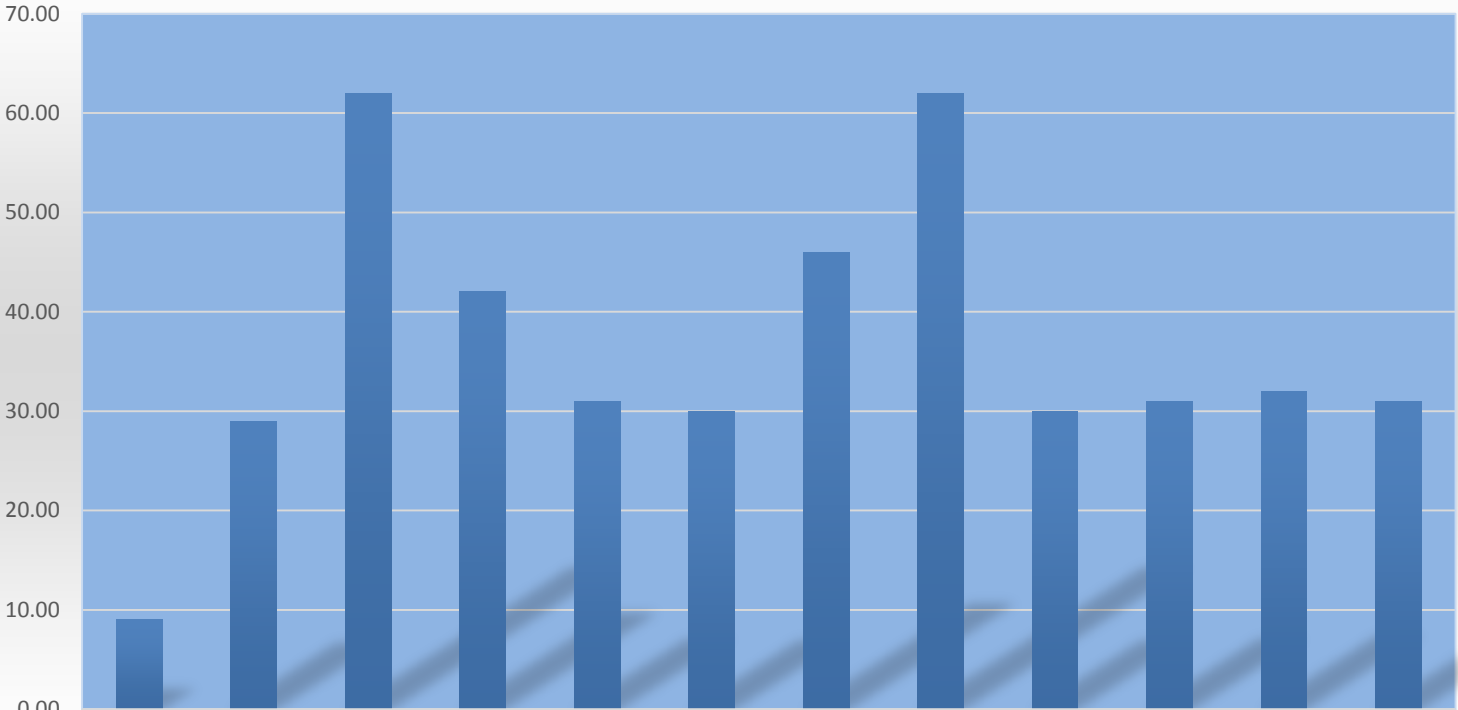


	2011	2012	2013	2014	2015	2016	2017	2018
— OSHA Rate	6.66	6.59	4.36	3.3	2.38	2.88	1.41	2.42
— Lost Time Rate	4.3	3.77	2.18	1.65	1.36	1.04	1.06	1.38
Total Recordables	20	21	16	10	7	8	4	7
Lost time cases	13	13	9	5	4	3	3	4

Number of Preventable Incidents YTD 2018



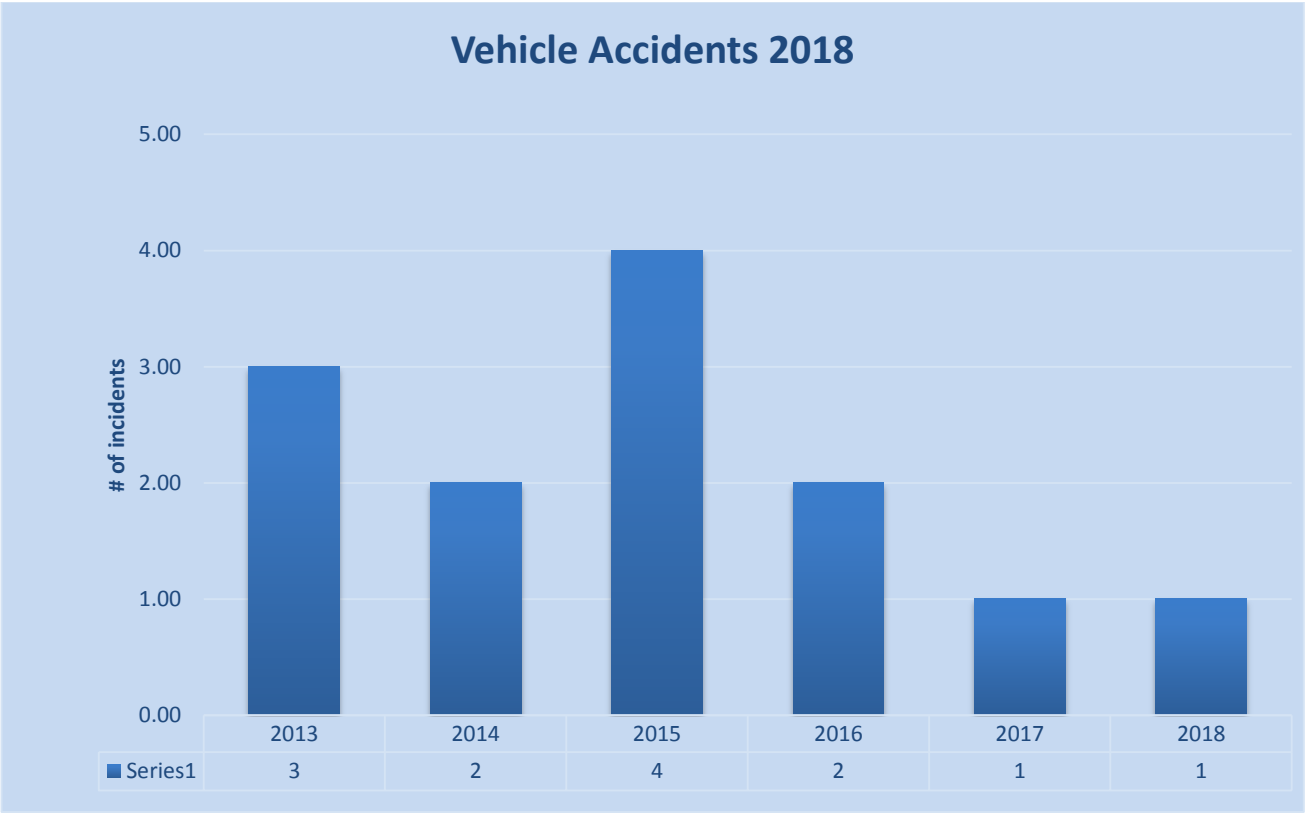
Lost work days by month 2018



■ Lost Time Days/Month

January	February	March	April	May	June	July	August	September	October	November	December
9.00	29.00	62.00	42.00	31.00	30.00	46.00	62.00	30.00	31.00	32.00	31.00

Vehicle Accidents:



CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 10, 2018

TO: Lee Thibert, Chief Executive Officer

THROUGH: Tyler Andrews, Sr. VP Employee Services and Communications

FROM: Julie Hasquet, Manager, Corporate Communications

SUBJECT: 2018 Member Satisfaction Survey

Method:

Between Nov. 26 and Dec. 4, 2018, Hellenthal and Associates surveyed 502 Chugach Electric members for our annual member satisfaction survey. Roughly half of the surveys were conducted on phones with cellular prefixes and the other half on traditional land-line prefixes. The survey has a 95 percent confidence level, with a margin of error of plus or minus 4.3 percent.

Results:

Overall positive rating:	91 percent	(last survey = 86 percent)
Reliability rating:	95 percent	(last survey = 95 percent)
Restoration time (A or B grade)	90 percent	(last survey = 86 percent)

Key Findings:

- The 91 percent overall positive rating ties for the record highest rating (we also had 91 percent in 2013) in the 23 years of tracking. But 2018 is actually considered the highest net positive because we had a 6 percent negative in 2013 and 3 percent negative in 2018.
- We continue to be the highest rated utility when compared with Enstar, ML&P, MEA, GCI, and ACS. Enstar got a 78 percent positive; ML&P got a 39 percent positive. (Keep in mind these are Chugach members who really have no way to measure ML&P).
- Enstar is always an interesting comparison because you can assume all Chugach members are Enstar customers.
- Reliability remains the most important element for our members. When asked what is most important, reliability got 53 percent; price 28 percent; and customer service 18 percent.
- Of the 182 members who said they contacted Chugach by phone/lobby/website in the past year, 92.5 percent were very or somewhat satisfied with the response they got.
- 71.5 percent of respondents reported taking steps in the past year to conserve or lower electricity use.

Summary:

Chugach Electric continues to be very favorably viewed by our members. They are extremely satisfied with the utility overall, with reliability, with customer service, and with the restoration time.

Last year's lower ratings were attributed somewhat to a down economy and the tendency to be more negative in surveys during tougher economic times. In 2018, we have had a very strong service year. There have been relatively few outages, and the majority were restored quickly. Additionally, the economy is recovering; there has been consistent, favorable media coverage of the ML&P acquisition; voters approved the sale by more than 65 percent; and the earthquake-related outages were restored within hours for all but a handful of members.

Note:

Our 500-member survey sample is significantly larger than the 320 done in the past and results in a smaller margin of error.

CHUGACH ELECTRIC MEMBER ATTITUDE SURVEY

November 26th to December 4th, 2018

Sample size = 502 margin of error \pm 4.36%

HELLENTHAL AND ASSOCIATES

2200 Vanderbilt Circle
Anchorage, Alaska 99508
(907) 276-1001 or
222-4021 (fax)

INTRODUCTION AND METHODOLOGY

This report presents an analysis of a survey of Chugach Electric residential customers, aged 18 or older. The survey measured properties of Chugach Electric adults' demographics, behaviors, attitudes, and policy issues concerning Chugach Electric and other utilities.

Research typically involves estimating the characteristics of a designated population. Because of the costs of conducting a census of all items in a population and the adequacy of sample results, sample statistics were used to make statistical inferences concerning population parameters.

Five hundred and two (502) Chugach Electric adults, aged 18 or older, were interviewed between November 26th and December 4th, 2018. Interviewing was conducted by telephone on a random basis. A computerized list of residential telephone numbers was provided by Chugach Electric. All Chugach Electric customers who provided a contact telephone number (cellular or land-line) had an equal chance of being interviewed.

Of the 502 interviews, 261 (52.1%) were conducted on cellular phone prefixes and 241 (47.9%) on traditional land-line prefixes. Traditional land-line prefixes can now be converted to cellular telephones. Nine interviews (1.8%) were conducted of customers only accessible by land-line telephones, 270 (53.8%) only accessible by cellular telephones, and 223 (44.4%) accessible by both land-line and cellular telephones. All households were called up to five times: during the evening (5:00 to 9:00 pm), day (11:00 am to 5:00 pm), and weekend (12:00 pm to 9:00 pm).

Margin of error

At a 95% confidence level, the empirical proportions reported in the general population survey can be projected, within plus or minus 4.36%, to the entire Chugach Electric residential customer adult population, aged 18 and over. This means one can be 95% sure that the frequencies reported in the general population survey are within \pm 4.36% of the true Chugach Electric adult population proportions.

The 2018 questionnaire with results follows.

CHUGACH ELECTRIC MEMBER ATTITUDE SURVEY

Hello, my name is _____ from Hellenthal & Associates. We are conducting an area wide public opinion research survey for Chugach Electric.

S1. I need to speak with the person in your household who is responsible for paying **residential** utility bills for your household. Who would that be?

IF IT'S THEM, THEN PROCEED TO QUESTION S2

IF NOT, THEN ASK....

When will that person be home?

Your telephone number was randomly selected. The questions I need to ask will take about 15 minutes. All of your responses will be confidential. (PAUSE AND PROCEED)

S2. Is this telephone number _____?

S3. Do you pay your residential electric bills to Chugach Electric or to Municipal Light and Power?

IF CHUGACH, THEN PROCEED TO QUESTION #1...

IF ML&P, THEN TERMINATE...

IF OTHER, THEN TERMINATE...

IF THEY DON'T PAY UTILITY BILLS/LANDLORD PAYS, THEN TERMINATE...

For this survey, please only provide information about your residence.

1. How many years and months have you been a Chugach Electric customer?

CHUGACH ELECTRIC RESIDENCY	FREQUENCY	PERCENT
Under 1 year.....	25.....	5.1%
1 to 4 years.....	89.....	17.8%
5 to 9 years.....	62.....	12.3%
10 to 14 years.....	68.....	13.6%
15 to 20 years.....	101.....	20.2%
20 years or more.....	156.....	31.0%
(Adult Mean = 17.155 years)		
(Adult Median = 14.526 years)		

2. How many years and months have you lived at your current residence?

CURRENT RESIDENCE	FREQUENCY	PERCENT
Under 1 year.....	55.....	11.0%
1 to 4 years.....	158.....	31.5%
5 to 9 years.....	59.....	11.8%
10 to 14 years.....	67.....	13.3%
15 to 20 years.....	70.....	14.0%
20 years or more.....	92.....	18.4%
(Adult Mean = 11.634 years)		
(Adult Median = 5.970 years)		

The questions I am going to ask concern the electric service you receive at the home you presently live in.

3. I am going to read to you a list of names of organizations. Please tell me whether your opinion of each is very positive, somewhat positive, somewhat negative, or very negative -- or if you have never heard of them. Is your opinion of _____ (FILL IN ORGANIZATION) very positive, somewhat positive, somewhat negative, or very negative -- or have you never heard of it?

(IF POSITIVE OR NEGATIVE SAY, "Is that very positive/very negative or just somewhat positive/negative?")
 (IF THEY ONLY RECOGNIZE NAME OR ARE TRULY UNABLE TO GIVE A POSITIVE OR NEGATIVE RECORD A "2" OR "NEUTRAL")

ORGANIZATIONS	4 VERY POSITIVE	3 SOMEWHAT POSITIVE	2 NEUTRAL	1 SOMEWHAT NEGATIVE	0 VERY NEGATIVE	WHAT?	MEAN
Enstar.....	29.1%	48.9%	17.2%	3.3%	1.4%	0.0%	3.011
ACS (Alaska Communications System).....	12.9%	37.4%	39.8%	6.6%	3.3%	0.0%	2.499
ML&P (Anchorage Municipal Light & Power).....	8.4%	30.3%	57.9%	2.4%	1.0%	0.0%	2.428
GCI (General Communications Inc.).....	16.9%	35.6%	16.3%	18.1%	13.1%	0.0%	2.250
MEA (Matanuska Electric Association)....	4.0%	13.6%	65.1%	2.2%	0.2%	14.8%	2.224
* Chugach Electric Association....	50.2%	40.8%	6.0%	2.5%	0.5%	0.0%	3.377

(ROTATE ORDER)

* 4. What is the main reason your opinion toward Chugach Electric is _____? (FILL IN VERY POSITIVE OR VERY NEGATIVE AS APPROPRIATE)

VERY POSITIVE	FREQUENCY	PERCENT
01-No problems.....	112	22.2%
02-Good customer service.....	32	6.3%
03-Reliable power/no outages.....	26	5.1%
04-Good overall service.....	64	12.7%
05-Fair/good rates.....	14	2.8%
06-Received credit.....	1	0.2%
07-Quickly restored power.....	3	0.5%
08-Member owned/Coop.....	2	0.3%

VERY NEGATIVE	FREQUENCY	PERCENT
52-Poor customer service.....	1	0.2%
53-Too many outages/service not reliable.....	2	0.3%

5. In the past 12 months, how many power outages have you had at the residence where you are currently living?

NUMBER OF POWER OUTAGES	FREQUENCY	ALL ADULT PERCENT	OUTAGE PERCENT
None.....	190.....	37.7%.....	MISSING
One.....	165.....	32.8%.....	40.4%
Two.....	84.....	16.7%.....	34.0%
Three.....	43.....	8.5%.....	15.9%
Four or more.....	21.....	4.3%.....	9.6%

(Adult Mean = 1.133)
(Adult Median = 0.680)

6. (IF ONE OR MORE, ASK) On average, what grade would you give Chugach in restoring service after a power outage occurs -- would you give Chugach an A, B, C, D or F in restoring service after a power outage occurs?

RESTORING SERVICE	FREQUENCY	PERCENT
4. A.....	190.....	60.8%
3. B.....	92.....	29.5%
2. C.....	24.....	7.8%
1. D.....	6.....	1.9%
0. F.....	0.....	0.0%

(Mean = 3.491)

7. (IF "A" OR "F", ASK.....) Why do you give Chugach a ____ (FILL IN "A" OR "F" AS APPROPRIATE) for restoring service after a power outage?

"A"	FREQUENCY	PERCENT
01-Power restored quickly.....	168.....	88.3%
02-They work hard.....	19.....	10.2%
03-Good customer service.....	3.....	1.5%

8. Overall, how would you rate the reliability of Chugach Electric service -- would you give Chugach an A, B, C, D or F for the reliability of their electric service?

RELIABILITY	FREQUENCY	PERCENT
4. A.....	368.....	73.4%
3. B.....	106.....	21.1%
2. C.....	22.....	4.3%
1. D.....	5.....	1.0%
0. F.....	1.....	0.2%

(Mean = 3.665)

9. (IF "A" OR "F", ASK.....) Why did you give Chugach a _____ (FILL IN "A" OR "F" AS APPROPRIATE) for the reliability of their electric service?

"A"	FREQUENCY	PERCENT
01-No problems.....	213.....	57.5%
02-Reliable power/Few or no outages.....	146.....	39.4%
03-Good customer service.....	8.....	2.1%
04-Cost of service is low.....	1.....	0.2%
05-Budget billing/fixed bill.....	1.....	0.3%
06-Fast response.....	1.....	0.2%

"F"	FREQUENCY	PERCENT
51-Too many outages/service not reliable.....	1.....	0.3%

10. Over the past 12 months, have you been in contact with Chugach customer service personnel?

CUSTOMER SERVICE PAST 12 MOS	FREQUENCY	PERCENT
Yes.....	182.....	36.2%
No.....	320.....	63.8%

11. (IF YES, ASK.....) Did you contact Chugach by phone, in-person, in lobby, or on the website?

CUSTOMER SERVICE PAST 12 MOS	FREQUENCY	PERCENT
Phone.....	141.....	77.5%
In-person.....	27.....	14.9%
In lobby.....	9.....	5.1%
Website.....	5.....	2.5%

12. (IF YES, ASK.....) How satisfied were you with the response you received? Are you very satisfied, somewhat satisfied, somewhat dissatisfied, or very dissatisfied with the response you received?

RESPONSE SATISFACTION	FREQUENCY	PERCENT
4. Very satisfied.....	115.....	63.2%
3. Somewhat satisfied.....	53.....	29.3%
2. Neutral (not read).....	2.....	1.2%
1. Somewhat dissatisfied.....	6.....	3.2%
0. Very dissatisfied.....	6.....	3.2%

(Mean = 3.461)

13. (IF YES, ASK.....) Why were you _____ (FILL IN: VERY SATISFIED OR VERY DISSATISFIED AS APPROPRIATE) with Chugach's response?

VERY SATISFIED **FREQUENCY** **PERCENT**

01-Employees were nice/helpful/pleasant/ polite/knowledgeable.....	71.....	58.8%
02-Issue was resolved/question answered.....	37.....	30.8%
03-Timely/quick/prompt response.....	8.....	6.6%

VERY DISSATISFIED **FREQUENCY** **PERCENT**

52-Poor customer service.....	5.....	3.9%
-------------------------------	--------	------

Considering the price of the service, the reliability of the service, and the quality of the customer service.

14. Which is most important to you -- is it price, reliability, or quality of customer service?

MOST IMPORTANT **FREQUENCY** **PERCENT**

Reliability.....	268.....	53.4%
Price.....	142.....	28.3%
Quality of customer service.....	88.....	17.6%
(ROTATE ORDER)		
Don't know.....	4.....	0.7%

15. Have you taken any steps to conserve or otherwise lower your use of electricity in the last year?

STEPS TO CONSERVE ELECTRICITY **FREQUENCY** **PERCENT**

Yes.....	359.....	71.5%
No.....	143.....	28.5%

16. (IF YES, ASK.....) Which of the following actions have you taken during the last year? (PLEASE SELECT ALL THAT APPLY)

ACTIONS	% YES
Switched off power strips when devices were not in use?.....	68.4%
Purchased an ENERGY STAR appliance?.....	53.8%
Replaced incandescent light bulbs with CFL or LED light bulbs.....	92.7%
Borrowed a Kill-a-Watt meter from Chugach Electric?.....	3.1%
Visited Chugach Electric's website for tips about energy savings?.....	20.5%
Used energy-saving or "sleep" features on your electronics?.....	60.8%

(ROTATE ORDER)

The following questions are for statistical purposes only.

17. In what year were you born? (COMPUTED TO AGE BY SUBTRACTING FROM 2018)

AGE OF RESPONDENT	FREQUENCY	PERCENT
18 to 30.....	71.....	14.2%
31 to 40.....	94.....	18.7%
41 to 50.....	77.....	15.4%
51 to 60.....	109.....	21.8%
61 or older.....	150.....	29.9%
	(Mean = 50.753 years)	
	(Median = 51.222 years)	

18. What is your Zip Code at your residence?

ZIP CODE	FREQUENCY	PERCENT
Sand Lake 99502.....	66.....	13.1%
North Midtown 99503.....	23.....	4.6%
Northeast Anchorage 99504.....	120.....	23.9%
Lake Otis 99507.....	99.....	19.7%
Southwest Anchorage 99515.....	59.....	11.7%
Southeast Anchorage 99516.....	45.....	9.0%
Turnagain/Spenard 99517.....	51.....	10.2%
South Midtown 99518.....	28.....	5.6%
Bird/Indian 99540.....	2.....	0.4%
Cooper Landing 99572.....	1.....	0.2%
Girdwood 99587.....	4.....	0.8%
Hope 99605.....	2.....	0.5%
Tyonek 99682.....	2.....	0.4%

19. Are you married or single?

MARITAL STATUS	FREQUENCY	PERCENT
Married.....	269.....	53.6%
Single.....	233.....	46.4%

20. Is your residence accessible by cell phone?

CELL PHONE	FREQUENCY	PERCENT
Yes.....	493.....	98.2%
No.....	9.....	1.8%

21. Do you have a wired land-line at your residence?

WIRED LAND-LINE	FREQUENCY	PERCENT
Yes.....	232.....	46.2%
No.....	270.....	53.8%

(COMPUTE FROM PRECEDING TWO QUESTIONS)

TELEPHONE STATUS	FREQUENCY	PERCENT
Both cell phone and land-line.....	223.....	44.4%
Cell phone only at residence.....	270.....	53.8%
Land-line only at residence.....	9.....	1.8%

22. GENDER (USUALLY DO NOT NEED TO ASK).....

GENDER	FREQUENCY	PERCENT
Male.....	251.....	50.0%
Female.....	251.....	50.0%

THE FOLLOWING VARIABLE IS CALCULATED FROM
THE MARITAL AND GENDER VARIABLES

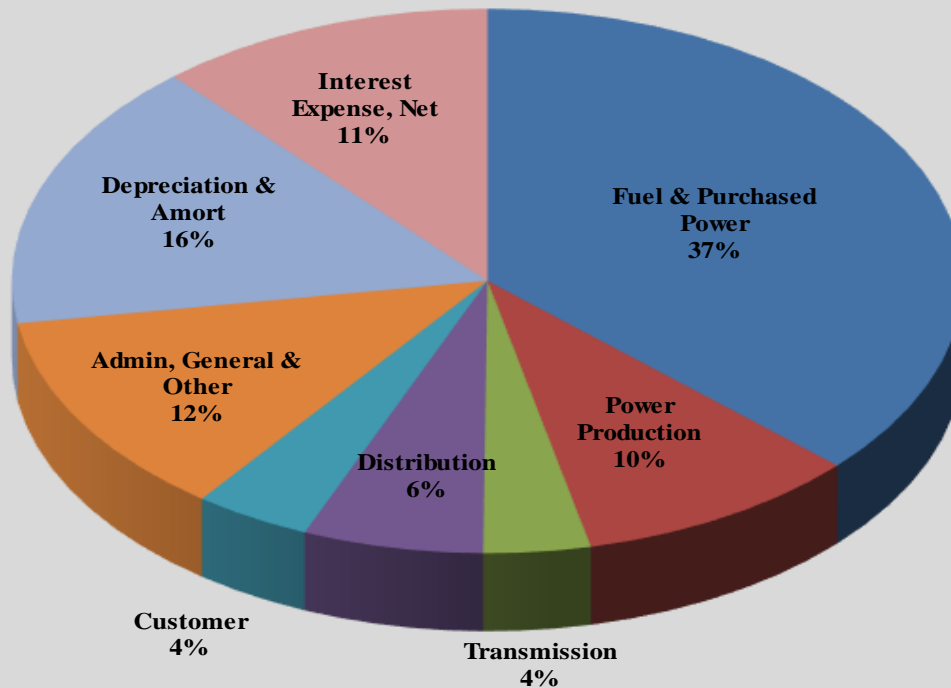
MARITAL BY GENDER	FREQUENCY	PERCENT
Married Males.....	134.....	26.8%
Married Females.....	135.....	26.8%
Single Males.....	117.....	23.2%
Single Females.....	116.....	23.2%

This completes the survey, thank you for helping us -- goodbye.

STATEMENT OF OPERATIONS

CATEGORY	2018 MTD ACTUAL	2018 MTD BUDGET	2018 MTD VARIANCE
Operating Revenue and Patronage Capital	\$ 16,978,921	\$ 18,760,027	\$ (1,781,106)
Fuel and Purchased Power Expense	5,827,752	7,139,301	(1,311,549)
Power Production Expense	1,526,714	1,643,116	(116,402)
Transmission Expense	574,158	537,342	36,816
Distribution Expense	968,717	1,293,768	(325,051)
Customer Expense	627,418	588,592	38,826
Administrative, General and Other	1,938,324	1,732,228	206,096
Depreciation & Amortization Expense	2,533,934	2,723,505	(189,571)
Interest Expense, Net	1,814,897	1,737,617	77,280
Total Cost of Electric Service	\$ 15,811,914	\$ 17,395,469	\$ (1,583,555)
Patronage Capital & Operating Margins	\$ 1,167,007	\$ 1,364,558	\$ (197,551)
Non-Operating Margins - Interest	59,034	51,827	7,207
Allowance for Funds Used During Construction	13,574	28,721	(15,147)
Non-Operating Margins - Other	(48,520)	-	(48,520)
Patronage Capital or Margins	\$ 1,191,095	\$ 1,445,106	\$ (254,011)

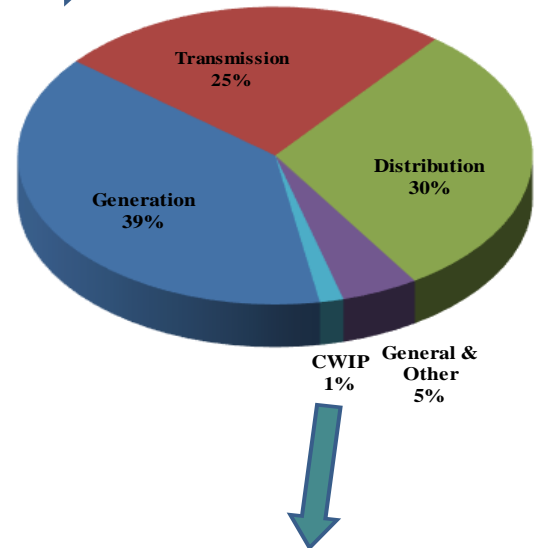
Total Cost of Electric Service (MTD Actual)



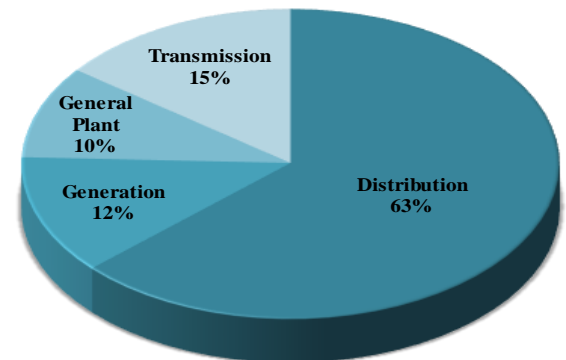
BALANCE SHEET

ASSETS & OTHER DEBITS	11/30/2018	12/31/17
Electric Plant in Service	1,216,322,463	1,205,092,224
Construction Work in Progress	18,482,420	17,952,573
Total Utility Plant	\$ 1,234,804,883	\$ 1,223,044,797
Accum. Prov. for Depreciation/Amortization	(527,331,279)	(515,496,312)
Net Utility Plant	\$ 707,473,604	\$ 707,548,485
Nonutility Property - Net	76,889	76,889
Investment in Assoc. Organizations	8,570,046	8,980,410
Special Funds	1,893,038	1,466,010
Restricted Cash & Other Investments	774,490	1,028,758
Total Other Property & Investments	\$ 11,314,463	\$ 11,552,067
Cash, Marketable Securities & Other	14,765,731	16,906,531
Special Deposits/Restricted Cash	594,344	741,670
Accounts Receivable - Net	26,723,106	35,680,680
Materials and Supplies, Fuel Stock	27,916,514	22,193,089
Prepayments	2,617,237	4,953,170
Other Current & Accrued Assets	224,191	5,178,987
Total Current & Accrued Assets	\$ 72,841,123	\$ 85,654,127
Deferred Debits	38,217,647	32,764,065
Total Assets & Other Debits	\$ 829,846,837	\$ 837,518,744
LIABILITIES & OTHER CREDITS	11/30/2018	12/31/17
Memberships	1,746,507	1,719,154
Pat. Capital, Margins & Equities	189,510,935	187,582,140
Total Margins & Equities	\$ 191,257,442	\$ 189,301,294
Long-Term Debt - Bonds	398,416,664	421,833,331
Long-Term Debt - Other	33,972,000	37,164,000
Unamortized Debt Issuance Costs	(2,445,452)	(2,669,485)
Total Long-Term Debt	\$ 429,943,212	\$ 456,327,846
Notes Payable	87,608,667	76,608,667
Accounts Payable	14,043,382	7,420,279
Consumer Deposits	5,070,960	5,335,896
Other Current & Accrued Liabilities	29,985,461	30,002,352
Total Current & Accrued Liabilities	\$ 136,708,470	\$ 119,367,194
Deferred Compensation	1,366,927	1,229,294
Other Liabilities, Non-Current	957,000	531,630
Deferred Liabilities	1,175,688	1,249,390
Patronage Capital Payable	5,393,253	8,798,077
Cost of Removal Obligation	63,044,845	60,714,019
Total Liabilities & Other Credits	\$ 829,846,837	\$ 837,518,744

2018 Total Utility Plant (YTD)
\$1,234,804,883

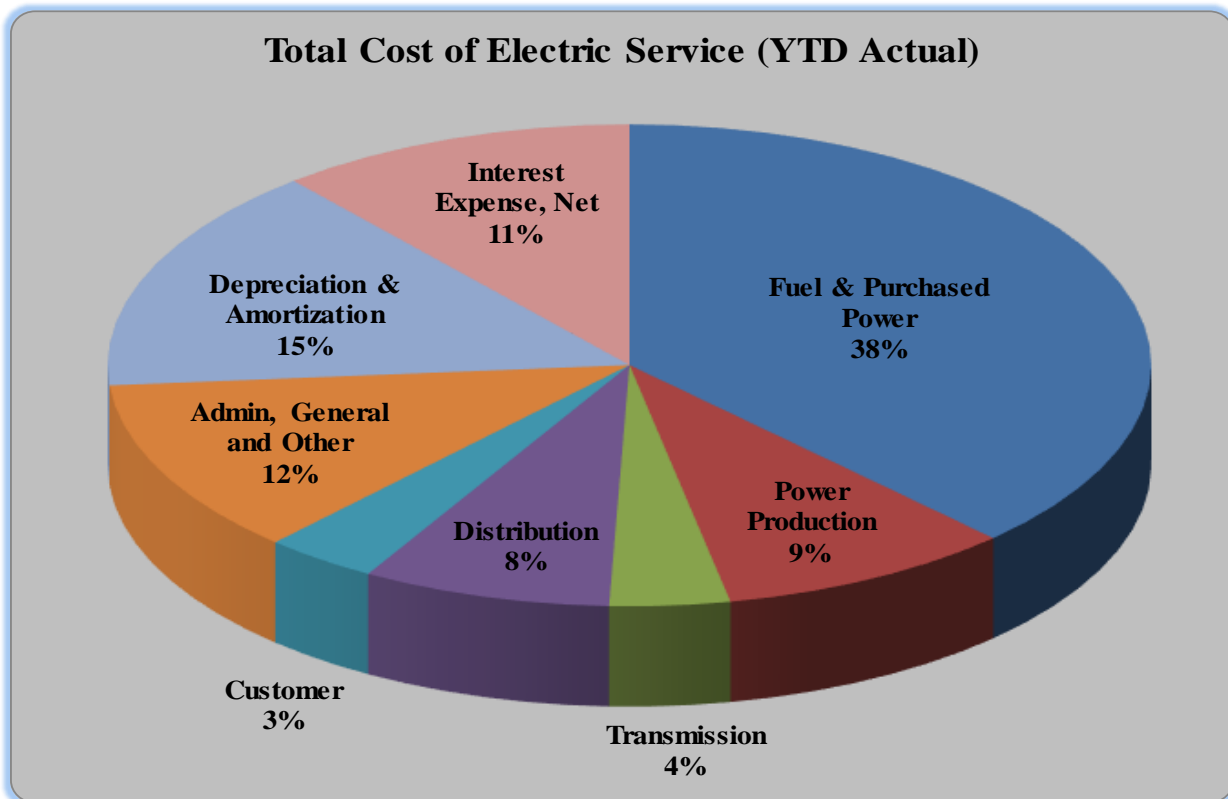


2018 Construction Work in Progress (YTD)
\$18,482,420



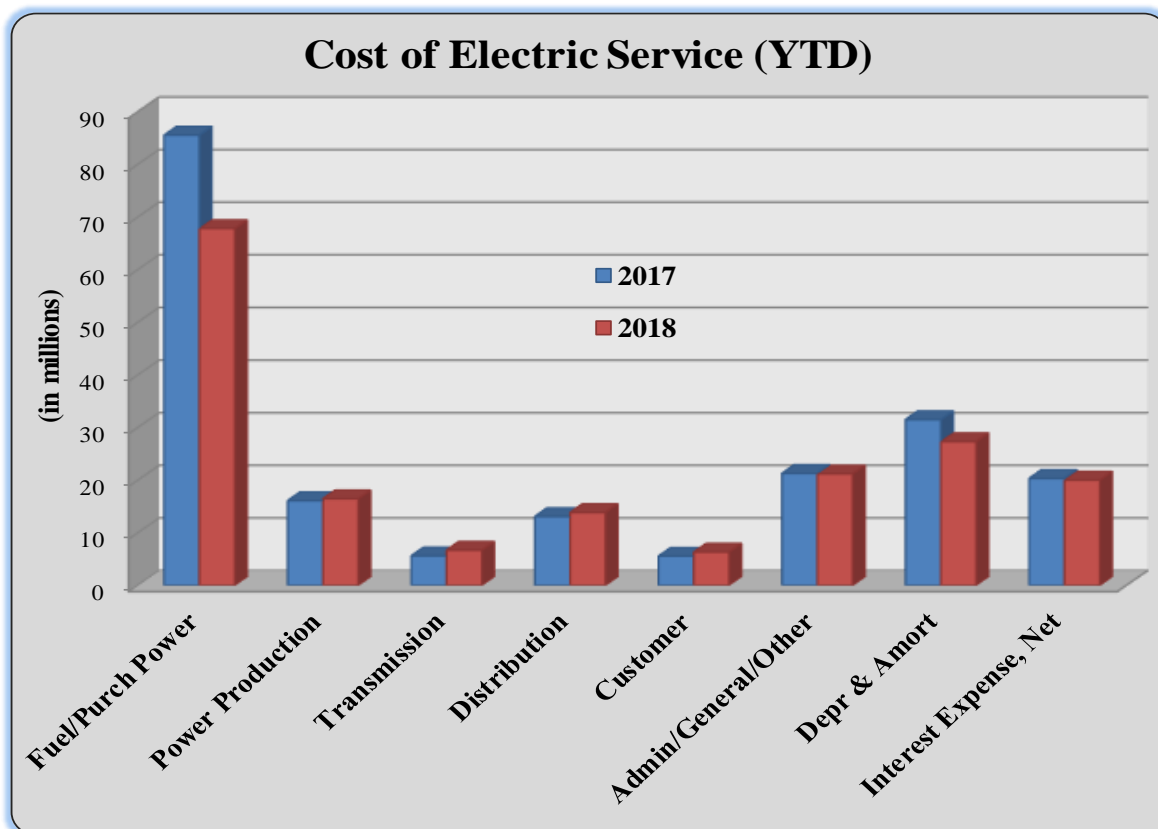
**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT YTD ACTUAL TO BUDGET VARIANCE**

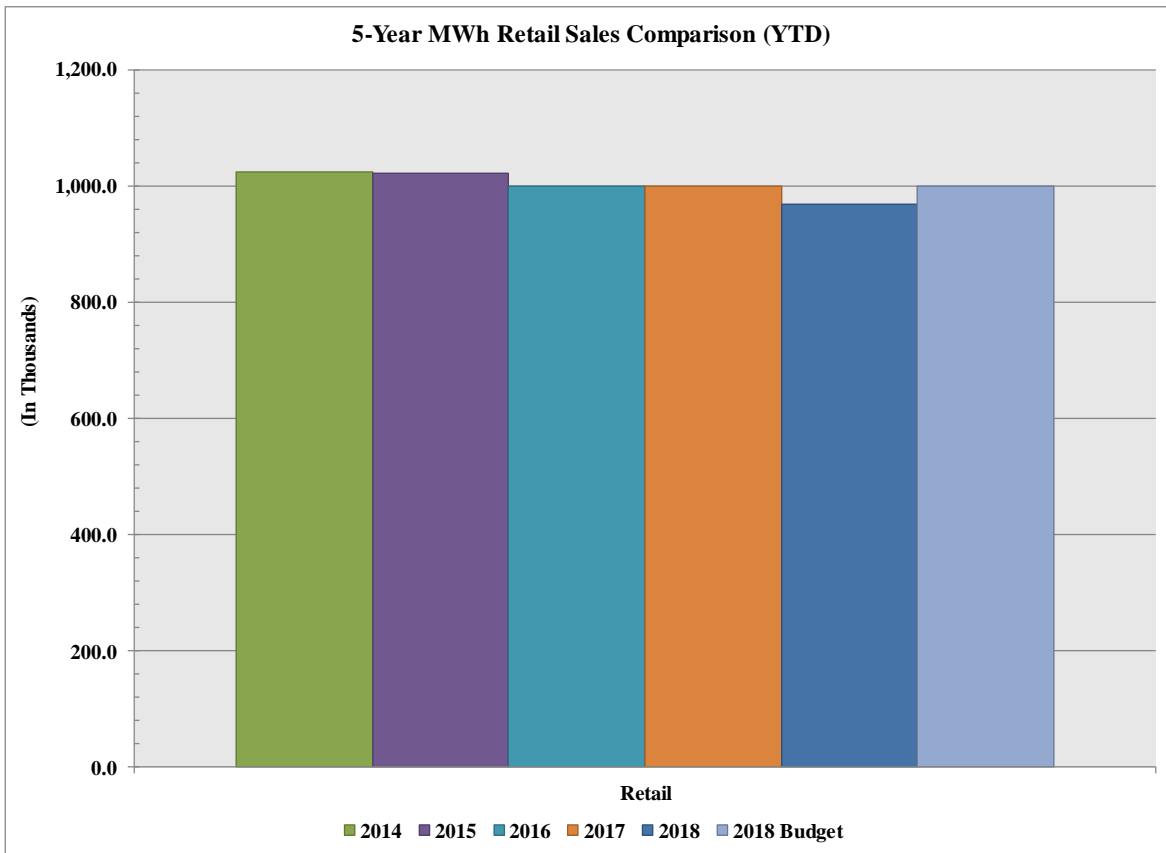
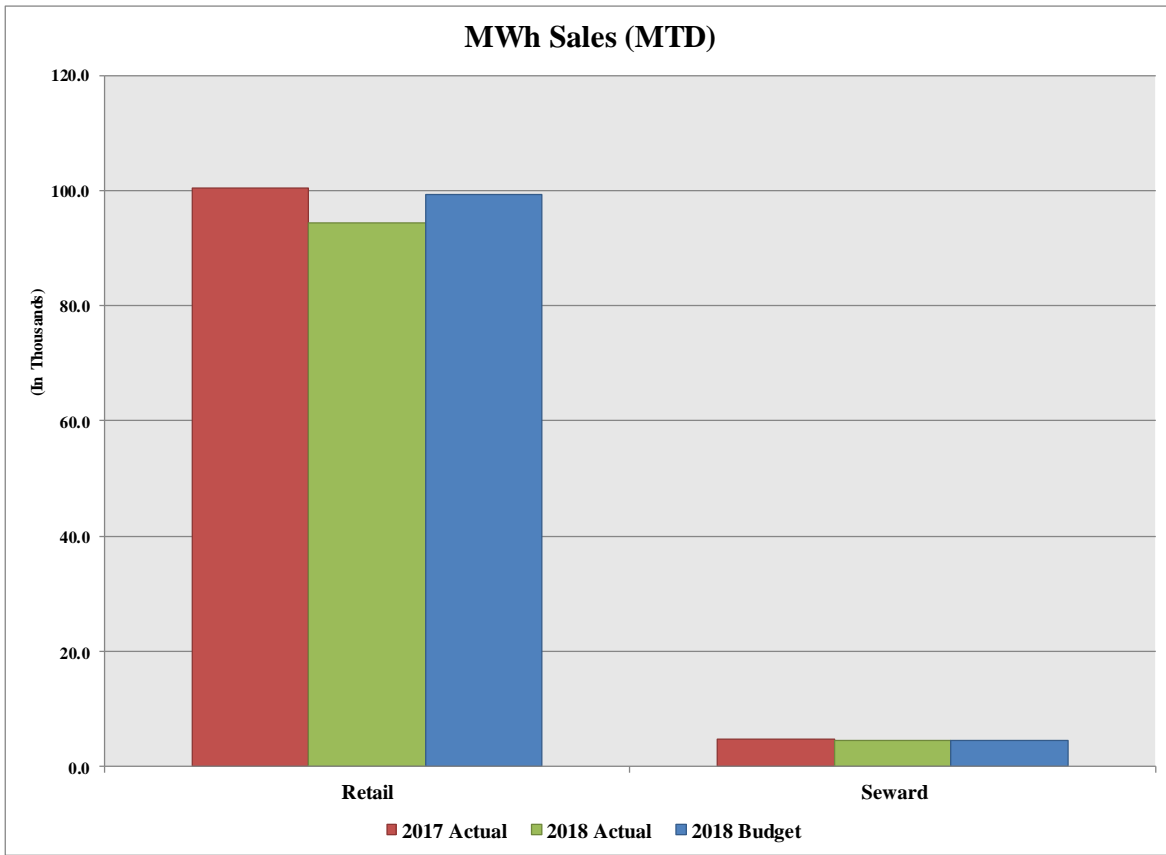
CATEGORY	2018 YTD ACTUAL	2018 YTD BUDGET	2018 YTD VARIANCE
Operating Revenue and Patronage Capital	\$ 181,414,195	\$ 194,075,040	\$ (12,660,845)
Fuel and Purchased Power Expense	67,807,494	77,238,151	(9,430,657)
Power Production Expense	16,464,665	17,340,459	(875,794)
Transmission Expense	6,687,842	6,365,778	322,064
Distribution Expense	13,862,155	13,650,728	211,427
Customer Expense	6,330,847	6,225,311	105,536
Administrative, General and Other	21,187,223	20,395,423	791,800
Depreciation & Amortization Expense	27,322,299	29,526,895	(2,204,596)
Interest Expense, Net	20,016,016	19,770,839	245,177
Total Cost of Electric Service	\$ 179,678,541	\$ 190,513,584	\$ (10,835,043)
Patronage Capital & Operating Margins	\$ 1,735,654	\$ 3,561,456	\$ (1,825,802)
Non-Operating Margins - Interest	650,035	573,311	76,724
Allowance Funds Used During Const.	114,355	147,221	(32,866)
Non-Operating Margins - Other	(276,592)	-	(276,592)
Patronage Capital or Margins	\$ 2,223,452	\$ 4,281,988	\$ (2,058,536)
MFI/I	1.11	1.21	
TIER	1.12	1.23	

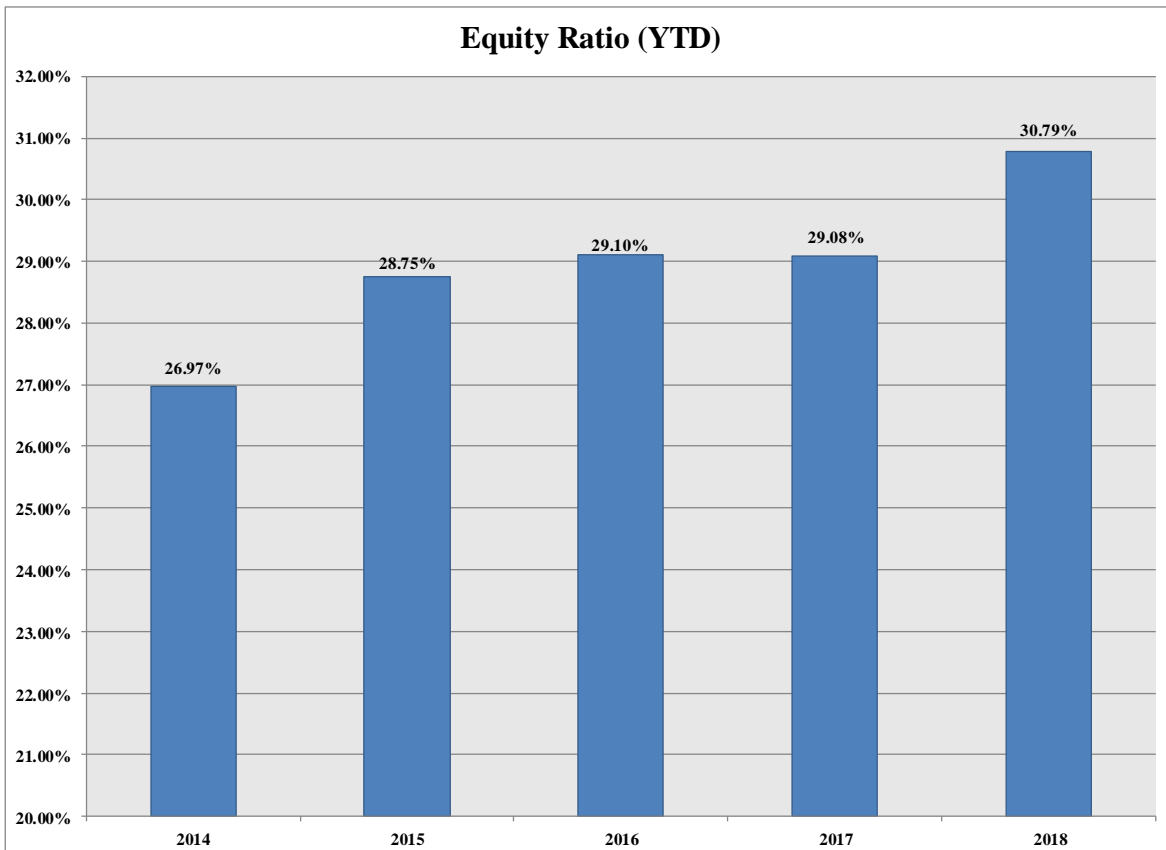
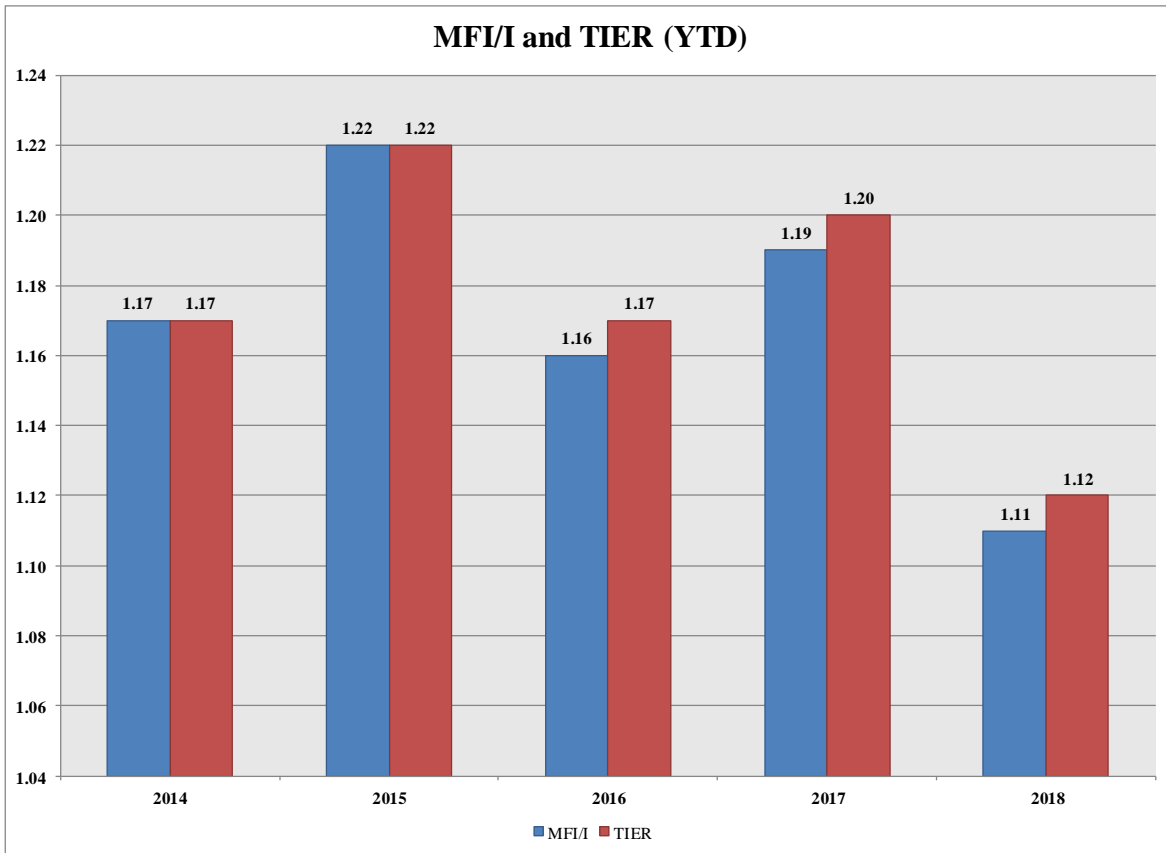


**COMPARATIVE FINANCIAL REPORT
STATEMENT OF OPERATIONS
CURRENT TO PRIOR YTD ACTUAL**

CATEGORY	2018 YTD ACTUAL	2017 YTD ACTUAL
Operating Revenue and Patronage Capital	\$ 181,414,195	\$ 202,173,542
Fuel and Purchased Power Expense	67,807,494	85,552,485
Power Production Expense	16,464,665	16,093,275
Transmission Expense	6,687,842	5,608,186
Distribution Expense	13,862,155	13,096,562
Customer Expense	6,330,847	5,550,070
Administrative, General and Other	21,187,223	21,299,640
Depreciation and Amortization Expense	27,322,299	31,510,026
Interest Expense, Net	20,016,016	20,336,166
Total Cost of Electric Service	\$ 179,678,541	\$ 199,046,410
Patronage Capital & Operating Margins	\$ 1,735,654	\$ 3,127,132
Non-Operating Margins - Interest	650,035	577,262
Allowance for Funds Used During Construction	114,355	60,862
Non-Operating Margins - Other	(276,592)	76,641
Patronage Capital or Margins	\$ 2,223,452	\$ 3,841,897
MFI/I	1.11	1.19
TIER	1.12	1.20







ENERGY SALES (kWh)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Energy Sales	969,968,313	999,974,914
Wholesale Energy Sales	<u>52,717,403</u>	<u>54,655,632</u>
Total Firm Energy Sales	1,022,685,716	1,054,630,546
Economy Energy Sales	<u>207</u>	<u>0</u>
Total Energy Sales	1,022,685,923	1,054,630,546

Firm energy sales totaled 1,022,685,716 kWh, which was a 3.0% unfavorable variance compared to budget. Retail energy sales were under budget 3.0% and wholesale energy sales were under budget by 3.5%, primarily due to warmer than anticipated weather.

ENERGY REVENUE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Retail Revenue	\$ 168.2	\$ 180.5
Wholesale Revenue	<u>4.6</u>	<u>5.5</u>
Total Firm Revenue	172.8	186.0
Economy/Other Energy Revenue	0.1	0.0
Other Operating Revenue	<u>8.5</u>	<u>8.1</u>
Total Revenue	\$ 181.4	\$ 194.1

Revenue from firm sales totaled \$172.8 million compared to \$186.0 million in the budget. Firm revenue was lower than expected primarily due to lower than anticipated kWh sales and lower fuel recovered in revenue through the fuel and purchased power adjustment process.

Economy/other energy revenue totaled \$0.1 million due to unanticipated sales to GVEA, MEA, and HEA. Other operating revenue includes late fees, pole rental, wheeling, microwave, BRU royalties, miscellaneous service and other electric revenue. Other operating revenue totaled \$8.5 million compared to \$8.1 million in the budget, primarily due to Beluga camp use, reimbursable fuel storage costs, and higher than anticipated wheeling revenue.

FUEL AND PURCHASED POWER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Fuel	\$ 51.7	\$ 61.4
Purchased Power	<u>16.1</u>	<u>15.8</u>
Total	\$ 67.8	\$ 77.2

Fuel expense includes fuel, storage, transportation, and BRU operating costs. Fuel expense was \$51.7 million compared to \$61.4 million projected in the budget. This variance was primarily due to less fuel consumed as a result of lower sales and lower than anticipated BRU operating costs.

Actual fuel purchased for production was 5,898,999 MCF at an average effective delivered price of \$7.97 per MCF, compared to 6,583,555 MCF in the budget at an average effective delivered price of \$8.30 per MCF.

Purchased power expense represents energy purchased from Bradley Lake, Fire Island, and other utilities as needed, as well as costs associated with dispatching. Purchased power expense was \$16.1 million compared to \$15.8 million in the budget, due to higher than anticipated purchases from MEA, Bradley Lake, and Fire Island.

Actual energy purchased was 208,315 MWh at an average effective price of 6.31 cents per kWh compared to 187,133 MWh budgeted at an average effective price of 6.91 cents per kWh. Higher than anticipated purchases from Bradley Lake resulted in a lower average effective price.

POWER PRODUCTION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Power Production	\$ 16.5	\$ 17.3

Power production expense was \$16.5 million compared to \$17.3 million in the budget. This favorable variance is primarily due to lower than anticipated labor and maintenance costs at SPP and Beluga, as well as reimbursement for Beluga camp use.

TRANSMISSION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Transmission	\$ 6.7	\$ 6.4

Transmission operations and maintenance expense was \$6.7 million compared to \$6.4 million in the budget, primarily due to higher than anticipated substation and line operations labor.

DISTRIBUTION OPERATIONS AND MAINTENANCE (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Distribution	\$ 13.9	\$ 13.7

Distribution operations and maintenance expense was \$13.9 million compared to \$13.7 million in the budget. This unfavorable variance is primarily due to higher than anticipated labor, vegetation control expenses as well as increased storm-related maintenance costs.

CONSUMER ACCOUNTS / CUSTOMER INFORMATION (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Total Consumer / Customer Information	\$ 6.3	\$ 6.2

Consumer accounts and customer information expense was \$6.3 million compared to \$6.2 million in the budget. This variance is primarily due to advertising for the ML&P acquisition which was somewhat offset by lower than anticipated credit card merchant fees.

ADMINISTRATIVE, GENERAL AND OTHER (in millions)

	<u>YTD Actual</u>	<u>YTD Budget</u>
Administrative, General and Other	\$ 21.2	\$ 20.4

Administrative, general and other expense includes tax, donations, other deductions associated with preliminary survey and investigation charges of projects, and obsolete inventory write-offs that are not attributable to operating or maintenance accounts, which was \$21.2 million compared to \$20.4 million in the budget. Increased labor, training, workers compensation, and power pooling expenses were somewhat offset by the deferred classification of costs associated with the ML&P acquisition.

SUMMARY

Depreciation, interest, and interest during construction expense totaled \$47.3 million compared to \$49.3 million in the budget. The favorable variance compared to budget was primarily due to lower than anticipated depreciation expense as a result of retirement adjustments from project closeouts.

All of the foregoing expenses resulted in total cost of electric service of \$179.7 million compared to \$190.5 million in the budget.

Non-operating margins include allowance for funds used during construction (AFUDC), capital credit and patronage capital allocations, extraordinary items, and interest income. Non-operating margins totaled \$0.5 million compared to \$0.7 million in the budget primarily due to the loss in value of marketable securities.

The net result of revenue and expenses was margins of \$2.2 million compared to projected margins of \$4.3 million in the budget. The current forecast projects year-end margins of \$5.0 million, an MFI/I of 1.23, and TIER of 1.24.

COMPARATIVE FINANCIAL REPORT STATEMENT OF OPERATIONS YEAR-END FORECAST

CATEGORY	2018 APPROVED BUDGET	2018 YTD ACTUALS	2018 REVISED FORECAST
Operating Revenue and Patronage Capital	\$ 214,960,079	\$ 181,414,195	\$ 201,974,857 ^{1 2}
Fuel and Purchased Power Expense	85,194,690	67,807,494	75,764,033 ¹
Power Production Expense	18,965,542	16,464,665	18,080,745 ^{1 2}
Transmission Expense	6,915,445	6,687,842	7,216,593 ^{1 2}
Distribution Expense	14,835,722	13,862,155	14,976,195 ^{1 2}
Customer Expense	6,833,267	6,330,847	6,938,553 ^{1 2}
Administrative, General & Other	22,127,986	21,187,223	22,899,127 ^{1 2}
Depreciation and Amortization Expense	32,264,325	27,322,299	29,909,729 ^{1 2}
Interest Expense, Net	21,493,320	20,016,016	21,738,497 ¹
Total Cost of Electric Service	\$ 208,630,297	\$ 179,678,541	\$ 197,523,472
Patronage Capital & Operating Margins	\$ 6,329,782	\$ 1,735,654	\$ 4,451,385
Non-Operating Margins - Interest	625,941	650,035	702,665 ¹
Allowance for Funds Used During Construction	181,126	114,355	148,260 ¹
Non-Operating Margins - Other	-	(276,592)	(276,592) ¹
Patronage Capital or Margins	\$ 7,136,849	\$ 2,223,452	\$ 5,025,718
MFI/I	1.32	1.11	1.23
TIER	1.35	1.12	1.24

¹ Forecast based on 11 month actual and 1 month forecast

² Forecast has been adjusted to reflect anticipated changes

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 23, 2019

ACTION REQUIRED

AGENDA ITEM NO. VIII.A.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Appointment of 2019 CFC Voting Delegate and Alternate

DISCUSSION

The voting delegate and alternate to the CFC meetings are chosen from those who will be attending.

The current CFC voting delegate is Jim Henderson and the alternate is Susan Reeves.

The 2019 CFC Annual Membership Meeting is scheduled for March 11, 2019, in Orlando, FL.

MOTION

Move that the Board of Directors appoint _____ as the CFC Voting Delegate and _____ as the alternate.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 23, 2019

ACTION REQUIRED

AGENDA ITEM NO. VIII.B

- Information Only**
- Motion**
- Resolution**
- Executive Session**
- Other**

TOPIC

Revision to Board Policy 502: Contributions

DISCUSSION

Chugach Electric Association, Inc. (Chugach) Board Policy 502 provides guidelines on annual contributions to members and the community. Chugach is recommending that this policy be expanded to allow regular full-time employees to volunteer with eligible nonprofit organizations in the community during business hours through the creation of an Employee Volunteer Program (EVP).

The EVP furthers Chugach's Triple Bottom Line philosophy by providing all regular Chugach employees with paid time off to volunteer during the employees' regular work hours through a 3,000-hour Volunteer Leave Bank. If approved, employees will have the opportunity to represent Chugach in the community by volunteering at nonprofit organizations. Chugach will primarily use the Pick.Click.Give. program list as a basis for eligible nonprofit organizations. Chugach has a history of being community oriented and the EVP continues this trend. In addition to giving back to the community, an EVP also helps employees strengthen their leadership and interpersonal communication skills.

Chugach's existing Board Policy 502 provides that Chugach will match regular employee cash contributions to qualifying organizations up to a maximum \$100 per employee per year. The employee match program was initiated in 2012 and, through 2018, Chugach has contributed \$32,261 to the program, or \$4,609 on average per year.

The EVP program expands Chugach's financial contribution by allowing for employees to volunteer their time to eligible nonprofit organizations of up to a company-wide limit of 3,000-hours per year. The annual cost of the EVP program is expected to be \$45,000, based on a projected 20 percent participation rate. The maximum annual cost, based on 100 percent participation, is \$140,000. Since the EVP is considered a charitable contribution, the volunteer hours will not be recoverable through rates but instead will be a reduction to margins.

Attached is both a clean and redline version of the revisions to Board Policy 502.

MOTION

Move that the Board of Directors approve the attached update to Board Policy 502 to reflect the addition of the Employee Volunteer Program.

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 502

CONTRIBUTIONS

I. OBJECTIVE

To establish the Association’s policy on contributions.

II. CONTENT

A. The Association may include as part of its annual budget a sum of money for contributions to assist Chugach members who because of various hardship situations are unable to pay their electric bill. Hardship situations include, but are not limited to, circumstances where either the member or a dependent in the member’s household is seriously ill, handicapped, or dependent on life support systems. The amount budgeted will not exceed four-hundredths of one percent (.0004) of the Association’s anticipated Retail, Economy Energy and Other Revenues.

The Association through its partnership with the Municipality of Anchorage, Health and Social Services agency (MOA HSS) will credit member’s electric accounts with the approved amount via internal “book entry” transactions within the Chugach financial accounting system. MOA HSS will screen applicants to assist only the qualified Chugach Electric Association members, as defined above, to pay their electric bills.

B. The Association may match regular employee cash contributions to qualifying organizations up to a maximum of \$100 per employee per year. Qualifying organizations must have a current 501(c)(3) designation. The Association may use a third-party organization (examples include Pick-Click-Give or the United Way) to qualify and facilitate the matching contribution.

C. The Association may provide employees with an annual 3,000-hour company-wide volunteer leave bank. Volunteer hours may be used during the employee’s regular work hours at Chugach-approved nonprofit organizations within Anchorage or Chugach’s service territory. Chugach will use the Pick.Click.Give. program list as a basis for eligible nonprofit organizations.

III. RESPONSIBILITY

The Chief Executive Officer will be responsible for administration of this Policy.

Date Approved:

Attested: _____
Stuart Parks
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.

BOARD POLICY: 502

CONTRIBUTIONS

I. OBJECTIVE

To establish the Association's policy on contributions.

II. CONTENT

A. The Association may include as part of its annual budget a sum of money for contributions to assist Chugach members who because of various hardship situations are unable to pay their electric bill. Hardship situations include, but are not limited to, circumstances where either the member or a dependent in the member's household is seriously ill, handicapped, or dependent on life support systems. The amount budgeted will not exceed four-hundredths of one percent (.0004) of the Association's anticipated Retail, Economy Energy and Other Revenues.

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III. RESPONSIBILITY

The Chief Executive Officer will be responsible for administration of this Policy.

Date Approved:

Attested: _____
Stuart Parks
Secretary of the Board

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 23, 2019

ACTION REQUIRED

AGENDA ITEM NO. X.A.

Information Only
 Motion
 Resolution
 Executive Session
 Other

TOPIC

Alaska Power Association (APA) Membership

DISCUSSION

Chugach sent a letter to APA December 14, 2014, outlining areas of concern. Specific concerns were raised in numerous conversations with APA staff and APA Board Members. Summarized concerns and APA's response:

- **Dues Structure** – Chugach and other Railbelt utilities pay a significant share of total dues. We understand that there will be no significant reallocation of dues, beyond a small increase in associate member rates. Further, there will be no initiative to implement a “pay-for-services” policy that reflects the cost of providing those services.
- **Representative/Regional Voting** – There is no relationship between financial support or numbers of members and voice. Chugach's individual retail and wholesale members do not have the same voice within APA as do members of smaller utilities. The existing system just isn't fair. We suggest that APA take its direction from a Railbelt Committee, a Rural Committee and a Southeast Committee, each with equal opportunities for input on policy issues. This might improve communication among APA members and ensure that APA hears and expresses the views of all of its members.
- **Vetting of Policy Positions** – Chugach suggests that, in making policy decisions, the interests of similarly situated utilities are taken into account as a group, not as individual members.

APA staff and members have worked to develop a strategic plan and have stated that internal information flow will improve.

- Transparency
APA makes decisions and/or takes positions without any or sufficient discussion, and without notice to all members. This is not appropriate in an association of peers.

On September 23, 2015 Chugach sent a letter to APA withdrawing its membership in the organization effective December 31, 2015.

On December 26, 2019, the Chugach Board of Directors invited Crystal Enkvist, Executive Director for APA to discussed policy changes and benefits of membership within the organization. She also distributed a revised dues structure for the board to consider.

Chugach does recognize the benefits of membership in the Alaska Power Association. The statewide organization provides a unified voice of the electric utility industry in Alaska. Through cooperation, collaboration and innovation, they support the goals of its members and can provide value and support on industry specific information.

MOTION

Move that the Board of Directors approve re-establishing membership in the Alaska Power Association as discussed in executive session.

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 23, 2019

ACTION REQUIRED

AGENDA ITEM NO. X.B.

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Approval of the tentative Collective Bargaining Agreements covering the terms and conditions of employment for Office and Engineering, Generation and Outside Plant bargaining unit personnel.

DISCUSSION

Consistent with Board Policy 404, Chugach negotiated tentative agreements with the IBEW to renew the Collective Bargaining Agreements covering the terms and conditions of employment for Office and Engineering, Generation and Outside Plant bargaining unit personnel. Terms of the contract extensions will last through June 30, 2025. After the tentative agreements were accepted by the bargaining unit employees the agreements and anticipated costs were posted (December 21, 2018) on the Chugach web page for the Association Membership to review.

MOTION

Move that the Board of Directors approve the attached Collective Bargaining Agreements covering the terms and conditions of employment for Office and Engineering, Generation and Outside Plant bargaining unit personnel.

SIGNATURE PAGE

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

Chugach Electric Association, Inc.

**International Brotherhood of
Electrical Workers**



Lee Thibert
Chief Executive Officer



Dave Reaves, Business Manager
Local 1547, IBEW

12-21-18

Date

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 well-being 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 must specify the reasons for the termination or the nature of the changes desired. If notice to terminate or amend is given, negotiations shall commence within thirty (30) days following the date of the notice and this Agreement shall remain in effect until the terms of a new or amended 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 non-working 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) **Purpose:** 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) **Forms:** 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) **Performance Monitoring:** 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) Preparation: 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) Timeliness: 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) Performance Appraisal: 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) Employee Response: 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) Plans for Improvement: 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.

3.1.2.5 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 **Temporary Employees**

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

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

- c) Special Projects - 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.

3.1.5.1.1 A temporary employee shall not accrue seniority;

3.1.5.1.2 A temporary employee shall not accrue annual leave;

3.1.5.1.3 A temporary employee shall not receive jury duty pay;

3.1.5.1.4 A temporary employee shall not receive worker's compensation supplement;

3.1.5.1.5 A temporary employee shall not receive life insurance;

3.1.5.1.6 A temporary employee shall not receive pension/annuity;

3.1.5.1.7 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.

3.1.5.2 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.

3.1.7 **Transfer of Temporary Employees to Probationary or Regular Status in Different Department**

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 intra-departmental reassignments shall be made by the department manager. Intra-departmental 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.

3.4.1 **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 Temporary Position (Notice of Interest)

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.

3.4.4 **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.

3.4.4.1 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.

3.4.5.2 The Employer shall have the right to reject any job applicant referred 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) Approved Leave Without Pay, (Incremental) 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) Approved Leave Without Pay - 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) Unapproved Leave Without Pay - 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	(January 1)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving Day	(Fourth Thursday in November)
Friday After Thanksgiving	
Christmas Eve	(December 24)
Christmas Day	(December 25)
New Year's Eve	(December 31)
Two Floating Holidays	
Employee's Birthday	

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.

4.13.2 **Days of Observance – Except Tuesday Through Saturday 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 **Tuesday Through Saturday Workweek**

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 (7-½) 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.

5.4.3.1 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. 5.11.3 Call-In Pay

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-Acetylmorphine	10 ng/ml	6-Acetylmorphine	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 Shop Steward 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:

Step One: 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.

Step Two: 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.

Step Three: 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.

Step Four: 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.

Step Five: 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.

Step Six: 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 cross-examine. 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.

11.1.1 Health Insurance Supplemental Payments

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.

11.1.2 **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:

13.3.1 **Classification Committee Procedure**

(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:

Step One: 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.

Step Two: 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.

Step Three: 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:

Step Four: 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.

APPENDIX A – LIST OF EXISTING JOB CLASSIFICATIONS/GRADES

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

(Appendix A Continued)

Power Control:

Power Control Data Technician 7

Power Supply:

Administrative Secretary – Energy Supply 7

Regulatory Affairs and Pricing:

Administrative Secretary – Reg. Affairs and Pricing 7

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
Engineering Junior CAD/GIS Operator 7
Administrative Secretary – Transmission & Special Projects 7
Administrative Secretary – Distribution Standards & Eng. Support 7
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.

- b. 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.

Pension Contribution Rate: 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 twenty-five 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 then-current 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 then-current 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 twenty-five 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 then-current 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 then-current 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 twenty-five 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 then-current 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 then-current 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.

Wage and Benefit Parity: 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 employer. Chugach agrees to withhold and forward voluntary contributions authorized by an 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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
Info Center Consultant I	32697	GEN
Network Analyst	27730	GEN
Network Technician III	63215	GEN
Systems Analyst	62745	GEN

ML&P (System Programmers)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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.

ML&P Engineering (Project Management)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
Utility Division Mgr. II	63183	Non-Rep.	Non-Rep

ML&P Engineering (Customer Engineering)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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 (Station Design)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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 non-represented 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 non-represented 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, 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 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.

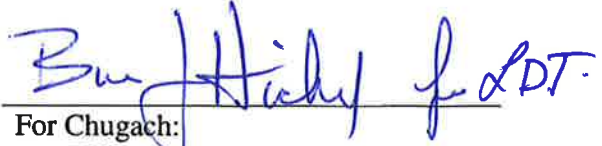
This Transition Agreement shall expire on June 30, 2025.

AGREED:



For IBEW:
David Reaves,
Business Manager

11-19-18
Date



For Chugach:
Lee Thibert,
Chief Executive Officer

11/19/18
Date

SIGNATURE PAGE

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

Chugach Electric Association, Inc.

**International Brotherhood of
Electrical Workers**



Lee Thibert
Chief Executive Officer



Dave Reaves, Business Manager
Local 1547, IBEW

12-21-18

Date

12-20-18

Date

AGREEMENT COVERING TERMS AND CONDITIONS OF EMPLOYMENT

GENERATION PLANT PERSONNEL

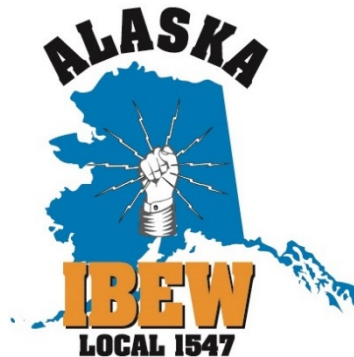
Between

CHUGACH ELECTRIC ASSOCIATION, INC.



And

LOCAL UNION 1547
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS



Effective TBD through June 30, 2025

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AGREEMENT COVERING TERMS AND CONDITIONS OF EMPLOYMENT
GENERATION PLANT PERSONNEL
BETWEEN

Chugach Electric
Association, Inc.
Anchorage, Alaska

and

Local Union 1547
International Brotherhood
of Electrical Workers
AFL-CIO
Anchorage, Alaska

PREAMBLE

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 NO. 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 well-being 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 adjustment of all disputes and grievances.

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 must specify the reasons for the termination or the nature of the changes desired. If notice to terminate or amend is given, negotiations shall commence within thirty (30) days following the date of the notice and this Agreement shall remain in effect until the terms of a new or amended 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 No. 1547 is affiliated with the International Brotherhood of Electrical Workers.

Section 2.2 **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 2.3 **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 (30) 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 2.4 **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.

Section 2.5 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 2.6 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 General Manager 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 General Manager of the Employer, or of the General Manager'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 non-working 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 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 General Manager 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 General Manager 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 2.6.1 Shop Steward Time

The Employer may require the Shop Steward to record time spent on Union business during working hours on the employee's time card.

Section 2.7 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 2.8 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 No. 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 General Manager 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 2.3, Union Shop. 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 2.9 **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 2.10 **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 Manager of Employee Relations, or the Manager's 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 General Manager or the General Manager's designated representative.

Section 2.11 **Loan of Employees**

Employer will not lend the services of an employee covered hereby, or cause such services to be lent, except that, in order to meet an emergency situation, Employer may lend employees' services to any other electric utility. In the event the loan of employees becomes justified under the conditions heretofore described, the Employer will notify the Business Manager or other authorized representatives of the Union prior to dispatching such employees on loan or, if the emergency is urgent, as soon thereafter as practicable.

Section 2.12 **Contracting Out – Purpose**

It is understood and agreed that the function of Sections 2.12.1-5 are 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.

Section 2.12.1 **Emergency Conditions and Supervisors Working**

The Employer agrees to refrain from assigning or transferring work normally being performed by employees in job classifications falling within the scope of this Agreement to any supervisor, or unrepresented position, except with consent of the Union, in the case of an emergency or where consistent with historical practice.

Section 2.12.2 **Warranty Work**

Section 2.12.1 shall not prohibit the employees of a manufacturer or supplier who is doing warranty work from trouble-shooting or working on equipment, systems, or apparatus supplied to the Employer which are still under 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.

Section 2.12.3 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 with the underlying purpose of eroding the size of the bargaining unit.

Section 2.12.4 Union Signatory Clause

(a) In order to preserve work traditionally performed by bargaining unit members, the Employer shall require that contractors for new construction involving any electrical work normally performed by employees covered by the Generation Agreement which is to be done at the site of construction of transmission lines, distribution lines, substations, SCADA systems, and inside wiring, become signatory to a current collective bargaining agreement with International Brotherhood of Electrical Workers Local 1547 if they are the successful bidder on a project. This requirement shall become applicable once a bid is awarded. Contractors or subcontractors need not be signatory to such agreement in order to bid on the project. Bidding is open to any contractor. In order to comply with this section, those contractors not already signatory to a collective bargaining agreement with the IBEW may either become signatory or they may execute an agreement with the IBEW to comply with the same terms and conditions set forth in the most current applicable agreement between IBEW Local 1547 and the Alaska Chapter National Electrical Contractors Association, Inc., which agreement is limited to the scope of the work and duration of the project. The IBEW and any successful bidder shall promptly enter into an agreement as necessary to comply with this section.

(b) This signatory provision will be interpreted and applied in good faith by both parties. The Employer shall not design a project, draw up job specifications or engage in any practices for the purpose of intentionally taking itself outside the scope of the lawful application of the construction industry proviso in 29 USC 158(e).

(c)

(1) Work intended to maintain and operate existing facilities, or equipment at their original location, capacity and intended use (including maintenance clearing and trimming) is maintenance and operations, not new construction, and is covered by all the above-referenced provisions except the signatory clause set forth at Section

2.12.4(a). All subcontracting of maintenance and operation work normally performed by employees covered by this Agreement shall be compensated at the current prevailing rate of wages and fringe benefits as determined from time to time by the Alaska Department of Labor pursuant to Title 36.

(2) Right-of-way clearing is exempt from the union signatory clause either when it does not constitute construction activity or when it has not normally and traditionally been performed by the bargaining unit.

(3) Contracts for construction work, including the nonelectrical alteration, painting or repair of buildings, will not be covered by the Union signatory clause when such work is not normally performed by members of the bargaining unit.

(d) It is mutually agreed that "inside wiring" shall be defined as work necessary to the installation and construction of electrical facilities within Association buildings and structures or associated electrical work on the load side of the Association's meter subject to the National Electrical Code. It is understood that this definition will not conflict with or limit work performed by classifications covered under the Outside or Generation Agreements.

Section 2.12.5 Dispute Resolution

The parties shall not enforce Sections 2.12.1-4 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 2.12.1-4. Before Employer may award any contract or subcontract (including task order contracts and unit price contracts) or assign any work covered by Sections 2.12.1-4 (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 2.13 Hiring Hall

All employees to perform services covered by this Agreement shall be secured through the offices of the Union, subject, however, to the following:

Section 2.13.1

The Employer shall notify the Union of possible vacancies, which it intends to fill from the applicants for employment.

Section 2.13.2

The Union shall refer applicants for jobs, provided that the selection of applicants for referral shall be on a non-discriminatory basis and shall not be based upon, or in any way affected by Union membership, bylaws, rules, regulations, constitutional provisions or any other aspect or observance of Union membership, policies or requirements.

Section 2.13.3

The Employer shall have the right to reject any job applicant referred by the Union. If Employer rejects an applicant, it shall immediately notify the Union in writing by noting same on the introductory form presented by the applicant.

Section 2.13.4

If the Union does not refer qualified job applicants, within three (3) working days after receipt of notice, who shall be acceptable to the Employer for filling the existing vacancies, the Employer shall be free to recruit employees from other sources.

Section 2.13.5

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 (reference: 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 insure 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, layoff, transfer, compensation, selection for training, or otherwise, so as to deny such person or persons equal employment opportunities.

Section 2.13.6

The term "he," wherever used in this Agreement, shall also mean "she".

Section 2.13.7 Name Request

In order to avoid the need to retrain qualified individuals, the Employer may name request employees who have worked for the Employer within the preceding twelve (12) months in classifications covered by this Agreement. The Employer's right to name request under this section will be limited to the Employer hiring to fill one of the following classifications:

- Instrument and Controls Technician
- Maintenance Electrician
- Heavy Equipment/Plant Maintenance
- Maintenance Technician
- Machinist Maintenance Technician
- Welding Maintenance Technician
- Maintenance Helper
- Plant Helper

This provision does not supersede the provisions of Section 3.4 or Section 3.5.3, Recall Rights; temporary and regular vacancies will still be posted.

Section 2.14 Employee Access to Personnel Records

Employees shall have access to their personnel records in the Employee Relations Department at any reasonable time in the presence of the Manager of Employee Relations or designated representative from the Employee Relations 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 Employee Relations Department will be secured (locked) and will be accessible only to designated employees in the Employee Relations 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 Labor-Management Committee

A jointly comprised Labor-Management Committee (L.M.C.) will meet during working hours at the request of either party, as necessary. It is agreed the parties will only request a meeting when there is a reasonable, good faith belief that such a meeting will be mutually beneficial. Requests for meetings will not be made to harass or burden the other party. The Employer shall select its own representatives and the Union shall select its own representatives from the bargaining unit. The Management representatives of the L.M.C. shall normally consist of the General Manager or designee and two other representatives from management. The Labor members of the L.M.C. shall normally consist of the Union Business Representative and four representatives from the bargaining unit (normally one representative from Dispatch, one representative from Information Services, one representative from Generation and one from Telecommunications). The General Manager and Union Business Manager will endeavor personally to attend at least one meeting each calendar year.

The Employer and Union may appoint additional members to the committee as needed. The Committee will not have the authority to alter the meaning or cost application of the collective bargaining agreement. Employer shall not have any obligation to pay wages or benefits to any Union representative not on regularly scheduled duty when such meetings are held.

ARTICLE 3 APPOINTMENT AND TENURE

Section 3.1 Employees

Section 3.1.1 Temporary Employee

A temporary employee is one who is employed for occasional work and for a limited period of time, not to exceed nine (9) months. Temporary employees will be subject to all terms of this Agreement. Such temporary employment may be extended by mutual consent of the Employer and Union. The intent of this section is not to reduce the number of regular positions by the hiring of temporary employees.

Section 3.1.2 Probationary Employee

A probationary employee is one who has been hired by the Employer for regular employment, but who has had less than ninety (90) 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 of their employment, except that if a temporary employee is hired for regular employment after serving for ninety (90) days or more in the position to which the employee is appointed, the employee will not be required to serve an additional probationary period. During this period of probationary employment for the newly hired employee, the employee may be laid off or discharged and such actions by the Employer shall not be subject to the provisions of Article 10 herein. The rights of employees who bid to a different position and who do not successfully complete the probationary period in the bid position shall be as specified in this Agreement. All employees hired to fill a regular job shall accrue service credits and seniority during such probationary period. This time may be extended by mutual agreement between the Employer and the Union.

Probationary period for Power Dispatcher Trainee. Maximum of eighteen (18) months, to be determined by the Evaluation Committee for each trainee.

Section 3.1.3 **Regular Employee**

A regular employee is one who has been engaged for regular employment and who has served the Employer continuously for ninety (90) days or longer.

Section 3.1.4 **Part-time Employee**

A regular part-time employee is one who is employed for a regular position that is normally scheduled and budgeted to work less than forty (40) hours per workweek. For purposes of this Agreement, a regular part-time employee may only work in a position or classification developed for the Information Services Department (formerly Data Processing) unless the Employer and Union mutually agree in writing to do otherwise.

(a) **Amount of Scheduled Work**

Part-time positions shall be created and scheduled to work thirty (30) hours or less, but more than fifteen (15) hours per week. If a part-time employee has worked three (3) or more consecutive times, for more than thirty (30) work hours in a week, the employee shall become a full-time regular employee under this Agreement. The only exceptions to this provision shall be when the Employer and Union mutually and specifically agree otherwise, or when the part-time employee has been scheduled or called in to cover for the absence of a vacationing or sick employee. Except for prior mutual consent between Employer and Union, a part-time employee who works more than one thousand, four hundred and ninety-nine (1499) hours in any twelve (12) month period shall become, at that time, a regular full-time employee under the Agreement. If any part-time employee becomes a regular, full-time employee, they shall receive pay and benefits in the same manner as any other regular employee under the Agreement.

(b) **Number of part-time employees**

The number of part-time employees shall not exceed twenty percent (20%) of the number of regular full-time bargaining unit employees working under this Agreement in the Information Services Department. If the number of part-time employee(s) becomes excessive, after mutual determination with the Union, Employer will either lay off the least senior part-time employee(s) or convert the most senior to full-time regular status.

(c) **Vacancies**

Job posting and bidding, and hiring of part-time employees shall be in accordance with the provisions of this Agreement.

(d) **Basic Wage**

Part-time employees shall be paid at the same basic hourly wage rate as a regular full-time employee working in the classification.

(e) **Overtime**

Overtime and applicable shift pay shall be paid according to the provisions of the Agreement for regular employees.

(f) **Seniority**

Seniority shall accrue on the same basis as a full-time employee.

(g) **Pension and Retirement**

Contributions shall be made on the employee's behalf the same as any regular employee under the Agreement.

(h) **Holidays and Annual Leave**

Holidays shall be calculated on a pro-rated basis for the number of hours the employee is scheduled to work. Annual Leave shall accrue for each pay period on the basis of the number of hours the employee has worked in the pay period. The terms of the Agreement shall apply for work on a recognized holiday.

(i) **Health and Welfare Benefit for Part-time Employees**

Part-time employees shall be provided Health and Welfare benefits under the Alaska Electrical Health and Welfare Fund Plans according to the following:

Plan Designation		Monthly Plan
Medical Plan	#553	\$1452.00
Dental Plan	#601	\$ 162.00
Vision Plan	#701	\$ 22.00
Disability Plan	#801	\$ 15.00
Life and A.D.&D.	#903	\$ 72.00
(Total monthly cost)		\$2006.00

The Employer will pay 100% of the current monthly premium cost (\$2006.00) in order to establish the benefit for the employee. Beginning the effective date of the first monthly premium increase, each part-time

employee shall be responsible to reimburse the Employer for five percent (5%) of the total monthly premium cost by allowing a withholding from their pay. In the event of subsequent premium changes, the cost allocation between the Employer and employee shall be determined by application of the provisions of Section 12.1 commencing with the third paragraph of that section.

The Employer agrees to deduct health insurance supplemental payments in accordance with the provisions of this Agreement under Section 12.1.1.

Section 3.2 Service Credit and Seniority

Section 3.2.1 Service Credit

For the purpose of this Agreement, service credit is the actual amount of time for which a regular employee receives compensation for full-time employment with the Employer, to which is added the actual time the employee is on authorized leave without pay except as provided in Section 2.7, Leave to Accept Union Office, herein. A probationary or temporary employee who is retained in employment and who acquires the status of a regular employee will receive service credit from the date of the employee's original hiring.

Section 3.2.2 Seniority

Seniority is the total service credit which the employee has with the Employer since the employee's last uninterrupted date of hire within this Chugach bargaining unit. 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 3.3 Termination of Seniority

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

Section 3.3.1

When a regular employee is laid off, except that if the employee is re-employed and the employee's service break is twelve (12) months or less, seniority will accrue uninterrupted from the original date of hire. If the employee's service break is over twelve (12) months, a new service date is established for the purpose of determining seniority, but the employee's pay will include the employee's longevity at the time of layoff.

Section 3.3.2

When an employee resigns.

Section 3.3.3

When an employee is discharged for cause.

Section 3.4 Vacancies

The following procedure will govern job posting, job bidding, job award, re-evaluation, evaluation, and Qualifications Committee for all job classifications as set forth in Article 13 hereof. Newly created or vacated regular positions, as defined in this section, may be filled by reassignment for a period of time not to exceed sixty (60) days, at which time such position will be posted and bid.

Section 3.4.1 Job Posting

- (a) **Regular Positions** Any regular job or position covered by this Agreement which has been vacated and is to be filled, or any job that is being created and is to be filled, shall be posted. Posting shall state details and qualifications applicable to the job or position.
- (b) **Temporary Positions** Any temporary job or position created to augment the work force will be posted for five (5) calendar days to permit employees to express interest. Award will be made after close of posting period.
- (c) Chugach will re-post Vacancy Postings in-house every twelve (12) 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.

Section 3.4.2 Job Bidding

For the purpose of providing every regular employee covered by this Agreement with an opportunity to bid on posted vacancies, Employer will make a reasonable effort to notify all regular employees, including those on vacation, of posted vacancies, provided that the regular employee on vacation has left an address or phone number with Employee Relations where the employee may be contacted. Any individual covered by this Agreement may, within ten (10) calendar days from the date of job posting, present in writing, (or verbally, if out of town) to the Manager of Employee Relations a request to bid. Such request to bid will include all data required by the posting. Unless mutually agreed, employees are limited to one successful bid during any twelve (12) month period. Regular employees may be assigned to temporary jobs for cross-training providing the regular employee consents to that particular assignment, which shall not be unreasonably withheld. If an employee requests a re-assignment for purposes of cross-training, Employer will not unreasonably deny the request. Periods of such re-assignment may be up to sixty (60) calendar days. The 60-day limit may be exceeded by the mutual consent of the Union and the Employer. Temporary promotions shall be on a twenty-four (24) hour basis.

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

Section 3.4.3 Job Award

Within fourteen (14) calendar days after the closing date of the bids, the bidders will be considered and the job awarded. Bid pay to start at the time of the bid award, providing employee is available to assume position on that date and shall continue until bid position is cancelled.

All bids will first be reviewed for validity of qualifications by a committee composed of two (2) representatives from the bargaining unit selected by the appropriate bargaining unit shop steward and two (2) from the Employer.

The Bid Committee will first evaluate qualifications of bidders who are regular or probationary employees covered by this Agreement. If there are no qualified bidders, then qualifications of bidders who are temporary employees covered by this Agreement will be considered.

The Bid Committee must first consider the following factors, without favoritism of any kind: ability to meet the posted qualifications, three (3) years past performance, and bargaining unit seniority. Where the first two factors are equally satisfied, seniority shall prevail.

The Bid Committee may request interviews with the bidder(s) and/or managers or a demonstration by the bidders of job knowledge or skills. The use of such additional assessment tools shall be mutually agreed to by the members of the Committee.

Where the Bid Committee selects a bidder by majority vote, the Executive Manager or designee will, in the absence of overriding circumstances, accept the Bid Committee's selection. If the Executive Manager or designee does not accept the recommendation of the Bid Committee, the Executive Manager or designee shall inform the Bid Committee and a new Bid Committee, composed of two (2) different representatives from the bargaining unit selected by the appropriate shop steward and two (2) different representatives from the Employer shall be convened. This Bid Committee shall follow the same procedure set forth above. In the event that this second Bid Committee cannot make a selection by majority vote, the Executive Manager or designee shall make a selection from the qualified bidders. If the second bid committee does reach a majority decision their decision will be implemented.

In the case of a selection by the Executive Manager, an employee who believes that he/she was passed over without justification may file a grievance and follow the procedure provided in Article 10 of this Agreement.

Employees awarded a bid will undergo a sixty (60) day probationary period to be determined by the Bid Committee for that position. The sixty (60) workday limit may be extended by mutual consent of the Union and the Employer.

The Company and the Union agree that the Bid Committee will determine if an employee meets qualifications per the RIF/layoff provisions of the contract or meets qualifications while on probation.

- (a) For the purpose of a Job Award under this Section, the employee must actually be available at work and able to assume the bid position on

the date of the bid award, for the bid award to result in a change in job duties or a wage rate change.

If the employee has been granted leave, the bid award shall be made by the bid Committee in accordance with the terms of the Agreement, but it shall not be effective until the first day the employee returns back to work from leave.

Section 3.4.4 Re-evaluation

In the event any two members of a Bid or Evaluation Committee, as established in Section 3.4.3, determine that the bidder did not successfully complete probation, the bidder will be restored to the bidder's previous position and rate, if the position has not been filled. If the position has been filled, the bidder will revert to the bidder's previous rate of pay and may then be temporarily assigned up to sixty (60) days to power plant locations and job assignments as required, after which the employee will return to the employee's original base assignment. During this sixty (60) day period, the employee must bid any position which opens, and for which the employee is qualified that does not require a household move; failure to do so shall cause the employee to be discharged. If, after the expiration of the sixty (60) day period, there is no vacant position available of equal or less pay for which the employee is qualified, then the reduction-in-force provisions of this Agreement shall be applied, with the bid employee being treated as being in the position the employee had immediately prior to assuming the bid position. The sixty (60) day time period set forth herein may be extended by mutual agreement of the Union and the Employer.

Section 3.4.5 Evaluation Committee

An Evaluation Committee will be established to evaluate the performance of an employee in a position containing steps. This committee will consist of two (2) members of management and two (2) members of the bargaining unit, selected by the shop steward. Members will be familiar with the employee's performance who is under evaluation, and will determine if the employee qualifies for the next step increase, as measured against standards established by the Employer. In the event that any two (2) members of the Evaluation Committee determine that the employee did not meet the qualifications to advance, the employee will remain at the employee's present step and will be evaluated again at a mutually determined time.

Section 3.4.6 **Classification/ Committee**

(a) **Composition and Purpose** The Union and the Employer shall utilize a Classification Committee 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.

Employer agrees to submit changes in job descriptions for review and comment to the Classification Committee prior to implementing such change 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:

(b) **Procedures** When the Employer or the Union requires a new job classification or either party wishes to propose changes to existing classifications, the following procedure shall be followed to ensure efficiencies in the process:

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

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

Step Three: 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.

Step Four: If the Classification/ Committee does not agree on the establishment of the new job classification or the proposed change, or does not render a decision within the time frame 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 classification the matter will proceed immediately to arbitration,

(c) 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.

(d) 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.

Section 3.5 Reduction in Force and Layoff

Section 3.5.1 Decision

Employer shall give the Union 30 days notice of any contemplated reduction in force, in order to provide an opportunity for joint discussion of the reasons for that potential RIF and potential alternatives. All non-regular bargaining unit employees and temporary personnel who may be working in the affected classification shall be laid off before regular bargaining unit employees who normally perform work within that classification are laid off. No regular employee will be laid off if there is a contract employee doing bargaining unit work that the regular employee can perform.

Section 3.5.2 Procedures

If the Employer decides that sound management requires the reduction of the work force in a particular job classification, employees will be laid off in reverse order of seniority in that classification. If, as the result of the elimination of a position within a job classification, a more senior employee is required to transfer, the employee shall transfer to the position being vacated by layoff of the least senior employee within the job classification.

If there are no available positions within the employee's current job classification, an employee with greater company-wide seniority may bump the least senior person in another job classification in which the employee has previously worked as a regular employee. If the employee has previously worked in more than one job classification, the employee must bump into the classification in which the employee most recently worked prior to the position from which the employee has been RIF'd. This procedure shall be followed until an employee cannot bump and is laid off. Any such bumping rights must be exercised within five (5) calendar days of notice of the reduction in force; provided however, that for any employee working at Beluga this time period must include at least two (2) days off duty.

Any employee who is subject to a reduction in force shall receive not less than one (1) month written notice of such action of the Employer, or, in lieu thereof, at the option of the Employer, one (1) month's wages.

If, as the result of the bumping or recall process described herein, an employee assumes a job previously held, but not worked (excluding temporary assignments to a higher classification) during the previous twelve (12) months, the employee shall have thirty (30) days in which to demonstrate proficiency in that job title or be reduced from the work force.

Section 3.5.3 Recall Rights

When applicable, this section shall take precedence over Section 3.4, Vacancies, of this Agreement.

Any regular employee who is terminated from employment for other than cause (or resignation) will be given preference in the filling of any subsequent job vacancies with the Employer for a period of one (1) year, provided that the employee is qualified for a vacant position. The Bid Committee will determine if an employee meets the qualifications required to exercise this preferential right.

Recall shall be based upon company-wide seniority, and filling a vacancy for a temporary position shall not change or extend the length of time a laid off employee has recall rights under this Agreement. If an employee is found qualified for a position not previously held, the employee will be subject to the customary probationary period defined in Section 3.4.3 of this Agreement.

Any employee who has moved from one classification to another, or from one work location to another as the result of a reduction in force or layoff shall have the right to return to their previous classification and/or work location if a vacancy occurs within a two-year period of the layoff that caused the employee to be displaced. An employee exercising the right to return under this paragraph shall have precedence over a laid off employee with respect to a vacancy.

In the event of reduction in force or layoff due to Employer's acquiring or operating other generation facilities, all power plant employees will have priority for employment at such other facilities consistent with qualifications and in the event of transfer to such other facilities, will retain their accrued service credit with the Employer and "time of employment under the collective bargaining agreement." Employees shall also retain their accrued "time in the classification" if the employee does not change classification in the transfer.

ARTICLE 4 ANNUAL LEAVE AND HOLIDAYS

Section 4.1 Annual Leave

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

1st year	160 hours per year
2nd year	176 hours per year
3rd year	192 hours per year
4th year	208 hours per year
5th year	240 hours per year

per annum of active and continuous service.

An employee on annual leave will be considered in active service; an employee on approved leave without pay will not be considered in active service. Except for prior written approval of an employee's Executive Manager, 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 voluntary 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 Annual Leave

Annual leave will be scheduled in advance as follows:

Section 4.2.1

The Employer shall prepare a twelve (12) month annual leave schedule calendar identifying any limitations or restrictions in the number of employees that can be on annual leave due to reasonable business needs. This annual leave calendar shall be prepared and circulated no later than February 1 for completion by March 1 for the following period March 1 to February 28. The Employer and the Union agree to keep the annual leave schedule circulating. The annual leave schedule with seniority list attached will be circulated, first to the most senior employee and then to other employees in seniority order so that each employee may enter one period of annual leave consisting of one or more contiguous days. When all employees on the seniority list have had an opportunity to select an annual leave period, additional circulation of the schedule as necessary shall be made in seniority order for the purpose of allowing employees other non-conflicting periods in the same manner. After March 1 annual leave will be granted in accordance with the remaining provisions of this section. Approval is granted unless disapproval in writing of said leave is made by March 11. Written disapproval of leave shall include the reason why requested leave has been disapproved. Both the Union and the Employer agree that both parties shall take all reasonable action to compensate for the employee's absence.

Section 4.2.2

Requests for annual leave not covered by Section 4.2.1 above, will be considered in the order received. Annual leave requests for a period of over seven (7) days if submitted to employee's supervisor after March 1, will be requested at least ten (10) business days prior to the commencement thereof. Approval or disapproval of said leave will be made within five (5) business days after request has been received. Annual leave requests for a period of seven (7) days or less if submitted to employee's supervisor after March 1, will be submitted at least three (3) business days

prior to the commencement thereof. Approval or disapproval of said leave will be made within two (2) business days after request has been received. Such annual leave will be granted if, in the opinion of the Employer, its reasonable business needs will permit. Otherwise, such requests will be granted as soon thereafter as practicable. Annual leave may be granted for time less than a regularly scheduled workday. Leave is considered approved unless written disapproval of leave within the prescribed time frame is made. Written disapproval shall include the reason why leave has been disapproved.

Section 4.2.3

Employees may cancel said leave or any portion thereof, with at least thirty (30) days' notice prior to the beginning of such leave. Written approval of the employee's supervisor is required for cancellation of leave with less than thirty (30) days' notice. Employer shall state reason for denial of leave cancellation.

Section 4.3 **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 4.11, Leave Without Pay. 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 4.4 **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 Employer. The term immediate family is defined as the following and applies both to the family of the employee and the employee's spouse: child (including foster child and

step-child), spouse, sister, brother, parents (including foster parents and step-parents), and grandparents.

Section 4.5 Jury Duty

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.

Section 4.6 Voting Time

An employee desiring to vote in a federal, state, or municipal election may do so, provided the employee is eligible to vote in that 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 4.7 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 **Blood Bank**

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 4.9 **Sick or Disability Leave**

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.

Section 4.9.1 **Employee 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 4.9.2 **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 4.9.3 **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 4.9.4 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 4.10 Work Related Injuries

Section 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.

Section 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 Workers' 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.

Section 4.10.3 Pension Contributions on Worker's Compensation Pay

Pension contributions shall be made on a regular employee's behalf up to a maximum of forty (40) hours of compensation per week for each week the employee receives supplemental payments in addition to workers compensation pursuant to Section 4.10.2 with contributions capped at a maximum of twenty-six weeks.

Section 4.11 Leave Without Pay

Section 4.11.1 Use

(a) Approved Leave Without Pay, (Incremental) 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) Approved Leave Without Pay: 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 that 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) 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.

Section 4.11.2 **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 4.11.3 **Holiday Pay Eligibility**

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

Section 4.12 **Substance Abuse Treatment Opportunity**

Employees suffering from alcoholism or drug abuse will receive the same consideration that is extended to employees having any other illness.

Section 4.13 **Employee Responsibility – Treatment**

It shall be the employee's duty to seek treatment for alcoholism or drug abuse. In no case shall job security or promotional opportunity be jeopardized by seeking treatment for such an ailment or condition. However, if two (2) alcohol or drug abuse related occurrences occur within a twelve (12) month consecutive period, 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 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. It is not intended to give employees who have not admitted they have a problem, or sought treatment, the right to abuse alcohol or other substances before they can be disciplined.

Section 4.14 Holidays

Except as otherwise provided in Section 4.14.2, Holidays (Telecommunications and Information Services Department Only), the days hereinafter listed will be recognized as paid holidays:

New Year's Day	(January 1)
Washington's Birthday	(Third Monday in February)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Veterans' Day	(November 11)
Thanksgiving Day	(Fourth Thursday in November)
Friday after Thanksgiving	
Christmas Eve	(December 24)
Christmas Day	(December 25)
New Year's Eve	(December 31)
Employee's Birthday	

Section 4.14.1 Holiday Schedule

Eligible employees shall be paid holiday pay at their factored straight time rate of pay equal to their normally scheduled hours for that day. For example, if an eligible employee on a ten (10) or twelve (12) hour schedule does not work a holiday, that employee will be entitled to ten (10) or twelve (12) hours of holiday pay.

Scheduling of Employees Birthday: To be taken as eight (8) hours of annual leave in accordance with Section 4.2, Scheduling of Annual Leave. These hours will not be deducted from the employee's annual leave account.

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.

If a recognized holiday falls on a Sunday, it will be observed on the Monday next following; if one of said holidays falls on a Saturday, it will be observed on the preceding Friday. If Christmas and New Year's falls on Saturday,

they will be observed on Friday, and Christmas Eve and New Year's Eve will be observed on Thursday. If Christmas Eve and New Year's Eve fall on Sunday, they will be observed on the preceding Friday.

If a holiday falls on a rotating maintenance operator, boiler operator, or dispatcher's day off or for those employees working on a week on/week off shift at Beluga, the holiday will be observed on his next regular workday.

Section 4.14.2 Holidays (Telecommunications and Information Services Departments only)

The days listed below will be recognized as paid holidays for Information Services Department (formerly Data Processing Department) and Telecommunications Department (formerly Electronics) employees.

New Year's Day	(January 1)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving Day	(Fourth Thursday in November)
Friday after Thanksgiving	
Christmas Eve	(December 24)
Christmas Day	(December 25)
New Year's Eve	(December 31)
Two Floating Holidays*	
Employee's Birthday	

*If an employee desires to use one floating holiday to observe Martin Luther King Day, the Employer will allow the employee(s) to do so, provided that essential operations of the Information Services Department and Telecommunications can be maintained for that day. Martin Luther King Day shall be observed on the third Monday of January.

Except for consideration of Martin Luther King Day above, the floating holidays shall be observed on days mutually agreeable to the employee and Employer.

Employee's birthday shall be observed on a workday of the employee's choosing during the month in which the birthday occurs.

New-hire employees in the Information Services and Telecommunications Departments are not eligible for floating holidays until they have completed ninety (90) days of continuous service with the Employer. Temporary employees dispatched on a short call (14 calendar days or less) shall not be eligible for floating holidays or birthday holidays.

ARTICLE 5 HOURS OF WORK AND COMPENSATION

Section 5.1 Workday and Workweek

Section 5.1.1 General

The following shall apply to all bargaining unit employees covered by this Agreement who do not have specific workday and workweek schedules defined elsewhere in this Agreement.

The Employer may establish either a five (5) days per workweek / eight (8) hours per day (5-8's) schedule or a four (4) day per workweek / ten (10) hours per day (4-10's) schedule. An established schedule means a schedule that is effective for at least two (2) weeks. No employee will be required to lose any previously scheduled working hours in a two (2) week pay period by reason of a change in jobs or shifts, except in cases of personal convenience or preference as requested by the employee.

(a) Five (5) Day Per Workweek / Eight (8) Hours Per Day Schedule

The five – eight schedule shall be five (5) consecutive days Monday through Friday with an eight (8) hour regular workday beginning between the hours of 6:00 a.m. and 8:00 a.m. and ending between the hours of 3:00 p.m. and 5:00 p.m. with a one (1) hour unpaid meal period scheduled to start between 10:00 a.m. and 12:00 noon. The one (1) hour unpaid meal period may be changed to a one-half (½) hour unpaid meal period with agreement of both Employer and employee.

When a second or third shift is scheduled on the five days per workweek/eight hours per day schedule, the first shift shall be from 7:00 a.m. to 3:30 p.m., the second shift shall be from 3:00 p.m. to 11:30 p.m. and the third shift shall be from 11:00 p.m. to 7:30 a.m. with a one-half (½) hour unpaid meal period included approximately midway for each

shift. No shift premium will be paid for the first shift; a ten percent (10%) shift premium will be paid for the second shift; a fifteen percent (15%) shift premium will be paid for the third shift.

(b) **Four (4) Days Workweek/Ten (10) Hours Per Day Schedule**

The four-tens (4–10's) per day schedule shall be four consecutive days Monday through Thursday or Tuesday through Friday beginning between the hours of 6:00 a.m. and 8:00 a.m. and ending between the hours of 5:00 p.m. and 7:00 p.m. with a one (1) hour unpaid meal period schedule to start between 11:00 a.m. and 1:00 p.m. The one (1) hour unpaid meal period may be changed to a one-half (½) hour unpaid meal period with agreement of both Employer and employee.

When a second shift is scheduled on the ten (10) hours per day schedule, the second shift will begin between 2:00 p.m. and 5:00 p.m. and end between 12:30 a.m. and 3:30 a.m. with a one half-hour (1/2) unpaid meal period approximately midway through the shift. No shift premium will be paid for the first shift; a twelve and one-half percent (12.5%) shift premium will be paid for the second shift.

Section 5.1.2 **Keep Whole**

If an employee is caused to lose days off because of an involuntary shift change, the employee will be paid at the applicable overtime rate during the first rotation of the new shift, for all hours worked on what would have been the employee's scheduled days off on his previous shift.

This section may not be used by an employee for the purpose of claiming overtime pay for training, unless authorized by Employer in writing.

Section 5.1.3 **Meals and Lodging**

(a) **Meals When Working Straight Shift** For any workday set forth in this Agreement, employees working a straight shift without provision for a meal period will eat on Employer's time when work permits.

(1) **Employees Working at Beluga** – The Employer will provide employees with three daily meals.

(a) Day shift employees will have one-half hour paid time to eat lunch. Breakfast will be eaten on unpaid time before the start of

the employee's shift. Dinner will be eaten on unpaid time after the end of the employee's shift, except on shift change days, day shift employees will be permitted to eat dinner during their shift.

(b) Night shift employees will be permitted to eat breakfast on paid time.

(c) Generally, meals will be served at the following times, subject to the times being altered as necessary to address business needs; no employee will suffer a loss of pay as a result of any change in meal times by the Employer.

Breakfast will be served from 6:30 AM to 7:00 AM.

Lunch will be served from noon to 12:30 PM.

Dinner will be served from 7:00 PM to 7:30 PM.

(b) **Meals During Flight Delays** For employees whose meals are provided by the Employer during their work shift, such employees shall be reimbursed for reasonable expenses for meals when flights are delayed during travel to and from work locations.

(c) **Meals During Overtime Work**

(1) **Employees Working at Other Than Beluga** When an employee is required to work more than two (2) hours immediately following his regularly scheduled shift, or four (4) hours or more after a call-out, and every four (4) hours thereafter until relieved, the employee shall be furnished a meal by the Employer (not to exceed \$25.00 including gratuity) on the Employer's time at the straight time rate.

Eating shall be accomplished as quickly as reasonably possible not exceeding one (1) hour if returning to work after eating.

If the employee elects to eat after he had finished work, the Employer shall furnish the meal and one-half (1/2) hour straight time pay for the delayed break.

In lieu of being furnished a meal by the Employer, the employee may elect to be compensated one-half (1/2) hour at the double time rate plus thirteen dollars (\$13.00).

(2) **Employees Working At Beluga** The Employer shall maintain current practice at Beluga, including time to eat and Employer provided meals.

(d) **Employer Provided Room and Board** Where the Employer provides room and board, each employee will have his own room and will 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.

Chugach may use Employer provided rooms as necessary to house other personnel while an employee is not at Beluga. The Employer will provide secure and heated storage space of adequate size for employees to store personal possessions when employees are not at Beluga when Chugach places another individual in the room. Employees will be given a reasonable amount of time during working hours to store and retrieve their possessions, not to exceed one hour, unless mutually agreed otherwise by the employee and Employer. The Employer will notify the employee at least three (3) days before the end of their shift that their room will be utilized for sharing unless unforeseen events preclude such notice. Only persons of the same gender will be required to share the same bathroom when adjoining rooms with a shared bathroom are simultaneously occupied.

Chugach contractors will be doubled up first in any available, unoccupied rooms. The Employer will then use the room of employees who have signed a volunteer list. If there are an insufficient number of volunteers, the Employer may use rooms occupied by employees who are Beluga residents. If additional rooms are still needed, rooms of bargaining unit employees who are not at work at Beluga will be utilized. Bargaining unit rooms will be used on a reverse seniority basis.

(e) **Allowance for Per Diem** (This provision does not apply when employees are staying in the Employer's facilities at Beluga.) When an employee is away from home, the employee shall have the option to receive one-hundred and fifty dollars (\$150) per diem in lieu of Employer

furnished meals and lodging for all days which the employee may be required by Employer to remain away from home.

(f) **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.

(g) **Meals While on Temporary Assignment** An employee who is assigned on a temporary basis to the Beluga Power Plant, and who is required to return to Anchorage for emergency work prior to 11:30 a.m. will be reimbursed reasonable expenses for a meal.

Section 5.1.4 **Employees Working Out of Classification**

(a) **Compensation for Employees Working in Higher Classification** An employee who is assigned to work in a higher classification will be paid the higher wage rate for hours actually worked.

(b) **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 5.1.5 **Work Location**

(a) **Base Assignment** Each employee will be assigned to a regular base assignment at one of the Employer's facilities on a continuous basis; however, employees may be transferred because of the result of a job bid or a reduction in force, or temporarily reassigned, all subject to the provisions of this Agreement.

(b) **Non-Base Assignment** When an employee is required to work away from home, the employee will be provided work or sent home at the employee's request. If the employee requests to be sent home, it shall be on the employee's own time and Employer shall not be responsible for lost time due to weather or conditions outside of the control of Employer.

(c) **Temporary Assignments for Regular Employees**

(1) Beluga regular employees assigned to work at other Chugach facilities will work their Beluga schedule if the assignment is less than one (1) week. For assignments of one (1) week or more, employees will work the schedule being worked at the plant they are temporarily assigned to. The schedule change will take place at the beginning of a payroll week. No loss of pay will result during this period.

Regular employees assigned temporarily to work at the Beluga Power Plant will work the schedule they regularly work if the assignment is less than one (1) week. For assignments of one (1) week or more, employees will work the Beluga schedule being worked by personnel the reassigned employee will be working with. The schedule change will take place at the beginning of the payroll week. No loss of pay will result from this schedule change.

Temporary and probationary employees may be assigned to work any of the shifts defined in Article 5 of this Agreement. The shift schedule will be established prior to hire and may be changed by prior mutual agreement between the Union and Employer. Employees not working the seven-day schedule will be scheduled to work no less than eighty-four (84) hours in each two (2) week pay period.

Regular employees assigned to attend training classes outside of Beluga, which require four (4) or more days including travel, for attendance, will revert to an eight (8) hour per day schedule for the training and travel and period. The schedule change will take place at the beginning of a payroll workweek. Employees pay during such training periods will not be less than their normal pay for their regularly assigned work schedule.

(2) **Beluga Assignment** Employees not assigned to Beluga who are required by the Employer to work temporarily at the Beluga Power Plant will be provided transportation, meals and, if necessary, lodging. Such employees are not eligible for per diem or meal allowance. If the employee is unable to return to Anchorage due to inclement weather or mechanical problems

affecting the plane, after the employee's assigned hours of work, the employee will be off shift in an unpaid status. The employee will return to paid status the following day at the beginning of the employee's regularly scheduled work day.

(3) **Long-term Bernice Lake Assignment** Employees working at Bernice Lake Power Plant, who are not regularly assigned to the Plant and who reside more than thirty miles from the Plant, who are on a long-term project (over one week), shall have the option to receive the price of a round-trip ticket, between Anchorage and Kenai, once a week, and make their own travel arrangements. If this option is selected, it will in no way interfere with established work hours. If Employer elects to charter aircraft, this option does not apply.

(d) **Remote Assignment** This provision does not apply to work at Beluga.

(1) A remote assignment is defined as an assignment of more than two (2) days in a work location that is not accessible by a road connected to the rail-belt Alaska Highway system. Except for the last day of the assignment, the employee shall be scheduled for a minimum of ten (10) hours per day until the job is completed; unless the employee is regularly scheduled to work a twelve-hour day, then the employee shall be scheduled for a minimum of twelve (12) hours per day. On the last day of the assignment, the workday will be at least the length of the employee's regularly scheduled workday.

(2) At the end of five (5) days, the employee shall normally have the option to return to home for two (2) unpaid days off; however if special requirements of the work would make a return trip home after five (5) days either disruptive or impractical under the circumstances, the Employer may extend such a work assignment up to seven (7) additional days. Under these special circumstances, the employee would be scheduled to work a minimum of six (6) days per week, and would have the option to return home for two (2) unpaid days off after twelve (12) days away from home.

(3) If the employee is unable to return back to Anchorage because of inclement weather or other causes beyond the Employer's control, the employee shall have the option to have unpaid time off equal to the number of regular days off the employee lost as a result of the delay. All transportation to and from the remote job shall be on the Employer's time and at the Employer's expense.

(4) The Employer will make every effort to provide as much advance notice of the anticipated length of the remote assignment whenever possible, and especially when the stay is likely to exceed five (5) days.

Section 5.1.6 **Transportation**

(a) **Employer Furnished Transportation** The Employer will furnish employee transportation as follows:

(1) **Cooper Lake Power Plant** Employer will furnish a vehicle at the Cooper Lake Power Plant suitable for employee transportation on a year-round basis between Quartz Creek Substation and the Power House at the Cooper Lake Plant.

(2) **Beluga Power Plant** Employer will schedule shifts and/or resupply air flights so as to permit one flight per week for those employees stationed at Beluga Power Plant to travel to Anchorage and return on their days off.

(b) **Air Transportation** Scheduled crew change flights between Anchorage and the Beluga Power Plant shall be via twin-engine aircraft or single engine turbine powered aircraft.

Employer-paid flights provided to an employee because of the employee's personal request may be via a "certificated air carrier" operating in compliance with federal regulations.

Employer agrees to provide personnel flights via a "certificated air carrier" operating in compliance with federal regulations. If a helicopter is utilized for flights over water, it shall be float-equipped.

Anchorage is the “designated point of origin” for Employer-provided flights. Employees who reside in Kenai may travel between Kenai and Beluga on a “certificated air carrier” and the Employer will pay the per seat cost for scheduled flights. If the Employer’s need, weather, or mechanical problems requires an employee to land at a different airport from that which the employee left to report for work, the Employer shall either provide transportation to the regular airport or pay the employee’s cost of transportation to such airport. Nothing in this section shall obligate the Employer to pay an employee beyond the end of his shift. The Employer is not obligated to pay overtime for delayed flights or the time it takes an employee to get to the airport from which the Employee left to report to work.

(c) **Transportation for Training in the Anchorage Area**

(1) If the employee is working at Beluga when the training occurs, then the employee shall have the option of traveling to and from training utilizing the employee’s own vehicle or previously-authorized transportation provided by Employer.

(2) When the employee’s residence is more than fifty (50) miles outside the Municipality of Anchorage, or at Beluga, Employer shall provide previously-authorized transportation, food, and at Employer’s option, lodging, if it is not possible to return the employee home or to Beluga at the end of the training session work day.

(3) If an employee attends training of more than one day duration at Beluga during the employee’s off-duty week, or where Beluga is not the employee’s regular base assignment, the employee shall have the option of either staying overnight at Beluga, or commuting at the Employer’s expense between Beluga and Anchorage. For this situation, air transportation provided to the employee may be via a “certificated air carrier” operating single-engine aircraft in compliance with state and federal regulations, if transportation on a crew-change flight is not available.

(d) **Insurance for Air travel** Employer will guarantee each employee that, in the event of the employee’s death from injuries resulting from the employee’s being required to travel by air at the direction of, or in the

discharge of the employee's duties to, the Employer, the total sum of \$750,000.00 will be paid to the beneficiary, or beneficiaries, designated and named by the employee to receive such payment.

(e) **Delays for Weather or Other Circumstances**

If transportation to the work location has been delayed because of weather or other conditions, the employee is expected to remain available to the Employer in order to travel to the work location at the earliest opportunity. The employee will remain in paid status at the direction of the Employer, provided the employee has not been released from duty by the Employer.

Depending on unusual or extraordinary circumstances and with prior permission of the employee's supervisor, an employee may request to be released from duty. Upon approval of the supervisor, the employee may be released from duty, and may be allowed to take annual leave or leave without pay as appropriate for the remainder of that work day, and shall travel to the work location later, as approved by the Employer.

Section 5.1.7 **Longevity**

Those employees hired before December 6, 1985 will receive additional compensation, at the rate of one percent (1%) per year, not to exceed ten (10) years of continuous employment with the Employer to be computed as follows: on the first of the month following the completion of each continuous year of employment, the rate of compensation of the employee concerned will be increased by the employee's accumulated percentage (up to ten percent (10%)) of the employee's current base rate. Base rate equals wage rate plus longevity.

Any employee on the payroll as of December 6, 1985 will be entitled to longevity as set forth in this paragraph if re-employed as a regular employee within one (1) year of layoff, termination or reduction in force.

Employees hired after December 6, 1985, shall not receive longevity benefits.

Section 5.1.8 **Pay Period and Payday**

(a) **General** The Employer shall establish a payroll system providing for the payment on every other Wednesday (every two (2) weeks) of the

compensation due an employee for the work performed prior to the Wednesday immediately preceding; provided, if a Wednesday payday falls on a day recognized as a paid holiday by the Employer, the Tuesday immediately preceding will be payday.

(b) **Electronic Technicians** The Employer shall establish a payroll system providing for the payment every Thursday for the one (1) week pay period ending Wednesday the previous week. If a Thursday payday falls on a day recognized as a paid holiday by Employer, the last workday preceding will be payday. Employees subject hereto will be paid on or before the completion of their scheduled workday.

(c) **Payday** An employee working as a dispatcher on the graveyard shift ending at 7:30 a.m. on the payday, or the night shift ending at 6:30 a.m. on the payday, will receive his compensation at or before the completion of his shift; all other employees subject hereto will be paid on or before the completion of their scheduled shift.

Section 5.1.9 **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 5.1.10 **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 5.2 **Compensation**

Section 5.2.1 **Regular**

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 5.2.2 **Overtime**

(a) **General** Except as otherwise provided in this Agreement, all work performed in excess of eight (8) hours on any regularly scheduled workday will be compensated at double the straight time rate. All work performed on recognized paid holidays will be compensated at double the straight time rate. Whenever overtime is involved to cover a shift, employees of like classification will be given first opportunity to work such shift. Double the straight time rate will be paid whenever less than twenty-four (24) hours notification is given to employees to change shifts.

(b) **Equitable Distribution of Overtime Work**

The opportunity for all overtime work will be distributed as equitably as it is practicable among the employees in the job classification in which such overtime work is performed. In determining what is practicable, the Employer retains the right to determine to whom overtime is assigned based upon:

- (1) The requirements of the particular tasks and the skills of the employees within the job classification;
- (2) The qualifications and representative job duties and job requirements contained in the job description; and
- (3) The base assignment of the employee.

A list of overtime hours shall be posted bi-weekly.

(c) **Scheduled Overtime Work**

The Employer may schedule overtime work, when required, with a minimum of three (3) days notice to the affected employee, in accordance with the following provisions:

- (1) The opportunity to work any overtime hours shall be offered to employees consistent with the provisions of Section 5.2.2(b),

Equitable Distribution of Overtime Work. An employee may decline overtime work opportunities at this point.

(2) If scheduled overtime work is not accepted, then the Employer may assign work; such assignment to be made in reverse seniority order from those employees eligible by classification to work the proposed “scheduled overtime work.”

(3) If the employee suffers expenses as the result of cancellation of previously-arranged plans as a result of the Employer’s assignment, the Employer shall reimburse the employee for all costs associated with the cancellation; or at the Employer’s option, the scheduled overtime work may be assigned to the next least-senior employee.

(4) The provisions in Section 5.2.2(f), Call-Out Pay, and Section 5.1.3(c), Meals during Overtime Work, shall not apply to scheduled overtime work. Employee meals will be taken in the same manner as a normal work period.

(5) If proper notice of at least three (3) days is not provided to affected employees, the scheduled overtime work will be worked in the same manner as a call-out and will be compensated at the applicable overtime rate.

(6) The minimum time for scheduled overtime work will be one (1) hour.

(7) Other provisions of this Agreement not specifically referenced in this Section shall continue to apply to scheduled overtime work.

(d) **Cancellation of Scheduled Overtime** If the cancellation of work that was previously scheduled in accordance with Section 5.2.2(c), Scheduled Overtime Work, is necessary, the Employer agrees to give as much notice to employees as is possible under the circumstances involved. If the affected employee (or employees) is provided less than two (2) days notice of such cancellation, the employee shall be paid two (2) hours of overtime at the applicable overtime rate.

(e) **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.

(f) **Call-Out Pay** An employee who is required to return to work without at least three (3) days prior notice outside the employee's regular days or regular hours of duty, will be paid a minimum of two (2) hours at the applicable overtime rate, or the applicable holiday rate, whichever is appropriate. Except for employees who are at Beluga when a call-out is accepted up to a maximum of one (1) hour before the employee is required to report to the designated call-out site. For employees who are at Beluga when a call-out is for work at Beluga, call-out pay starts when the call-out is accepted by the employee, up to a maximum of thirty (30) minutes prior to the time required to report for work.

For employees who must travel by air to another location or to a remote site for work, the "designated call-out site" will be the office of the air carrier designated by the Employer for the transport of the employee to the work location, and an employee is considered on duty from the time the employee is scheduled to fly to the call-out location.

Call-out pay ends when the specific job is completed and the employee returns to the point of origin. "Point of origin" is defined as the location where the employee normally reports to work. If an employee cannot return to the designated point of origin because of weather or other circumstances beyond the Employer's control, the employee will be assigned work at that location in accordance with the normal schedule worked by his classification at the work location, and in accordance with the provisions of this Agreement.

(g) **Holdover Pay** A minimum of three-tenths (3/10) of an hour at the applicable overtime rate will be paid for holdover time. When the specific job is completed, holdover is completed.

Employees held over beyond normal scheduled departure date because of inability to travel will be assigned work in accordance with the shift normally scheduled at that location at the applicable overtime rate.

(h) **Relief Time** Relief time, except as defined in Section 5.2.5, Relief, occurring during call-out and holdover is not paid time.

Section 5.2.3 **Holiday Compensation and Scheduling**

(a) Employees not scheduled to work who are called by the Employer to work on a paid holiday will be paid the straight time rate for such holiday and, in addition, will be compensated at double such straight time rate for the hours worked. Likewise, employees scheduled to work on a paid holiday will be paid for all hours worked, in addition to the straight time rate for the holiday, double the straight time rate. If an employee works outside normal shift hours on a holiday, the employee will be paid double time for such hours plus the holiday rate for the same number of hours.

(b) The Employer may schedule holiday work for a position requiring work because of the need for continuous, around the clock operation at any of the Employer's facilities; and employees who work in such positions may be scheduled to work on holidays in accordance with their normal schedule. Scheduled holiday work will be distributed as equitably as is possible among those employees who work in the affected classifications. Employees who are scheduled by the Employer to work on a holiday will be paid at the double-time rate in addition to straight-time holiday pay for the total of all hours worked on the holiday.

Section 5.2.4 **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 (30) calendar days.

Section 5.2.5 Relief

Employer retains the right to direct an employee not to work when, in the opinion of Employer, it is unsafe for the employee to do so. An employee may decline overtime work or work within the relief period when the employee, in good faith, feels so fatigued that the employee does not believe that the employee can perform the employee's duties safely.

(a) **Electronic Technicians And Maintenance Personnel** Electronic technicians and maintenance personnel not assigned to Beluga who have been on duty for four (4) or more hours ending after 10:00 p.m. shall not report for work the following scheduled workday until they have had a minimum of ten (10) hours of relief. The employee shall be paid at his applicable rate for those scheduled work hours included in his 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 double the straight time rate until he is relieved.

(b) **Operators** An operator not assigned to Beluga who has been on duty four (4) or more hours between shifts shall not report for his following scheduled work shift until he has had a minimum of ten (10) hours of relief. The employee shall be paid at his applicable rate for the scheduled work hours included in his 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 double the straight time rate until he is relieved.

Section 5.2.6 Compensation for Training

As used in this section, Training means schooling, seminars, conferences or evaluation visits for the purpose of evaluating tools, equipment, procedures, hardware or software requiring an overnight stay away from the employee's residence or base assignment. Attendance by a member of the bargaining unit to attend Training which requires travel more than fifty (50) miles outside the Municipality of Anchorage and an overnight stay shall be voluntary. Employer agrees to provide as much notice as possible relative to scheduling of Training. An employee will be paid based on the employee's hourly daytime wage rate for time spent in Training sessions; however, an employee shall not lose regularly scheduled pay during any pay period as a result of attending Training. Regardless of the employee's previously assigned shift or work day or week schedule, an employee's normal schedule when assigned to Training shall be an eight (8) hour work day and a Monday through Friday work week. Employer shall not incur overtime or pay employee any premium arising from a change in shift schedule due to attendance at Training. Unless authorized by Employer, the employee shall not work more than eight (8) hours per day and shall not be paid overtime for attendance at such activities. Employer agrees to schedule travel so that employees will have adequate rest before the Training is scheduled to begin; for purposes of this provision "adequate rest" means scheduling travel so that the employee is scheduled to arrive at the employee's designated lodging for the Training at least ten (10) hours before Training is to commence. If an employee is stranded anywhere as the result of Training, Employer will pay any additional food and lodging expenses. If Employer schedules Training which conflicts with an employee's previously approved leave, employee desires to attend the Training and Employer wants employee to attend the Training, then Employer shall reimburse the employee for all costs associated with the cancellation of leave.

Employees will be paid for travel consistent with the applicable regulations adopted by the Alaska Department of Labor, Wage and Hour Division to attend Training sessions.

Employer will arrange and pay for all lodging and air and ground transportation to and from Training. Employer will pay for the reasonable costs of ground transportation at the Training location utilizing limousine or taxi service, whichever may be more economical. Rental cars must be pre-authorized by the appropriate Department Manager or designee. Movies, telephone charges that are not related to the Employer's business, liquor or

other personal or entertainment expenses will not be paid by the Employer, except that for each day away from home, employee may make one personal telephone call (by credit card or using a telephone card provided by Employer) of up to fifteen (15) minutes to his residence. Employer may, upon request, provide an advance to cover reasonable expenses. Employees will submit all receipts and report expenses on a form provided by Employer.

Section 5.2.7 Shift Differential for Standard Shift

Except for other provisions in the Agreement stating otherwise, the following shall apply:

Standard Twelve-hour shift Any employee working between 7:00 p.m. and 7:00 a.m. shall receive a five percent (5%) shift differential, to be effective at date of ratification. Effective July 1, 2020 this differential shall increase to thirteen and one third percent (13.33%).

Section 5.2.8 Change in Law - 12 Hour Schedule

The Employer and the Union share a mutual desire to maintain the established seven day schedule for all employees working this schedule at the Beluga Power Plant and for the established twelve hour dispatcher schedule. If legislation should be enacted which prohibits employees from working in excess of eight (8) hours per day or forty (40) hours per week without being compensated at the overtime rate, the Savings Clause of this Agreement will apply and the Agreement will be reopened for the purpose of negotiating a mutually acceptable way of maintaining the Beluga and dispatcher schedules. If negotiations do not produce an agreeable solution before the effective date of the previously described legislation, the Employer may return affected personnel to a schedule with eight (8) hour shifts until such time as a mutually acceptable solution can be reached.

Section 5.3 Beluga Provisions

Section 5.3.1 Workday and Workweek - Seven Day Schedule

All regular Beluga maintenance and operations employees assigned to work the seven (7) days on, seven (7) days off / twelve hours per workday (7-12's) schedule ("seven-day schedule") as of the effective date of this Agreement will continue to work this schedule. Work hours during the shifts shall be from 7:00 a.m. to 7:00 p.m. (day shift) and 7:00 p.m. to 7:00 a.m. (night shift).

After the effective date of this Agreement, regular employees who fill maintenance positions existing as of the effective date of this Agreement will be assigned to the seven day schedule no later than the end of their probationary period. Newly hired employees will normally be assigned to work the seven day schedule at the end of their probationary period, but with prior mutual agreement between the Union and Employer, and when necessary for purposes of familiarization with Power Plant operations or maintenance duties, assignment to the seven day schedule may be delayed up to six (6) months from their date of hire. The intent of this paragraph as it refers to new hire and probationary regular employees is to ensure that employees are adequately trained and are given enough time to learn their jobs so that they may be fairly and objectively evaluated prior to the end of their probationary period. All such employees will be scheduled to work no less than eighty-four (84) hours in each two week pay period, inclusive of leave, holiday pay, leave without pay or other unpaid absence. No employee will be required to lose working time by reason of a change in jobs or shifts, except in cases of employee's personal convenience or preference.

(a) **Operating Personnel Shifts** Operating personnel (such as boiler operators and maintenance operators) are those necessary for round the clock plant operation; they shall work a rotating day/night shift. On return to their seven day workweek, the boiler operators and maintenance operators will work the opposite day/night shift from their last day/night shift. Relief maintenance operators will work either the day or night shift as operation or maintenance needs require.

(b) **Maintenance Personnel Shifts** Maintenance personnel shall normally work a 7:00 a.m. to 7:00 p.m. (day shift) during the scheduled workweek. However, employer may schedule maintenance personnel to work a 7:00 p.m. to 7:00 a.m. (night shift) when necessary to meet workload demands. Assignment to the night shift shall be determined in the following manner: among those who volunteer, the employee qualified to do the work who has the greatest bargaining unit seniority shall be assigned; if there are no qualified volunteers, assignment shall be made based upon reverse bargaining unit seniority from those employees qualified to do the work.

(d) **Maintenance Personnel Special Shift** Employer may assign employees working the seven-day schedule to a five (5) day per week,

ten (10) hours per day (5-10's) work schedule for maintenance projects. The procedure for such assignment shall be consistent with the provisions above for night-shift maintenance work. Such assignments shall be effective for a minimum of at least two weeks, except for temporary employees hired for a short call. The normal scheduled work days for such a shift will be five (5) consecutive days, Monday through Friday. If a second shift is needed, it shall be manned and scheduled according to the provisions above concerning night shift maintenance work.

The Employer may establish overlapping shifts during major projects and overhauls that require employees to report to work up to three days before the start of their regular shift and remain at work for up to three days beyond the end of their regular shift.

(d) **Beluga Clerk Schedule** Commencing one month after this Agreement takes effect, the regular Beluga clerks will be given a three (3) month trial period on a week-on, week-off seven day shift, provided they mutually agree to make that change. For the week-on, week-off schedule, Employer shall determine the day of the week on which the clerks will change out. Subsequent extensions of the trial period at three (3) month increments will be subject to the sole discretion of the Employer up to a total period of eighteen (18) months. If the Employer deems the week-on, week-off schedule to be successful at the end of the eighteen month period, it shall be incorporated into the Generation Agreement by a letter of understanding.

Temporary Beluga clerks shall work either a week-on, week-off schedule or the five (5) day workweek and four (4) day workweek schedules (as defined below) as determined by Employer

When working the week-on, week-off schedule, Employer shall have the option of scheduling Beluga clerks to be off duty on scheduled holidays. Notwithstanding the language of Section 4.14.1 of this Agreement, the scheduled holiday for Beluga clerks shall not be observed on the Beluga Clerk's next regular workday when working the week-on, week-off schedule.

If the trial schedule does not work out to the Beluga Superintendent's satisfaction, and the Employer elects to end the trial, the Beluga Clerks

will be scheduled to work a five (5) day workweek and a four (4) day workweek on an opposing rotation. When working the five (5) day workweek, the employee will work nine (9) hours Monday through Thursday and eight (8) hours on Friday; on this schedule, the first eight hours of each scheduled workday is at straight time and the ninth hour is at the applicable overtime rate. When working the four (1) day workweek, the employee shall work ten (10) hours at the straight time rate for each day, Monday through Thursday. When working the four (4) day workweek the employee will use the scheduled Thursday night crew flight to travel to Anchorage. Employees will not be paid for any time between the end of their workday and the departure of the Thursday crew flight except for hours worked at the direction of the employer. The Employer shall schedule the workday between the hours of 7:00 a.m. and 6:00 p.m.

Section 5.3.2 Crew Assignment

Each Beluga employee working the seven-day schedule will be assigned either to the Red Crew or the Blue Crew. An employee cannot bid for a position on a different crew within the employee's classification; however, an employee may request a transfer and such request will be fairly considered by the Employer in consideration of its operational or maintenance needs. The employee may be allowed to transfer if the Employer determines that such a transfer is proper and appropriate.

Section 5.3.3 Beluga Compensation

(a) **Operating Personnel** Effective July 1, 2020 the following differentials will increase to 13.33%, 18.33%, 23.33%, and 33.33% respectively. For operating personnel, a night shift differential of five percent (5%) shall be paid for the first night shift workweek worked; a ten percent (10%) shift differential shall be paid for the second consecutive night shift workweek worked; a fifteen percent (15%) shift differential shall be paid for the third consecutive night shift workweek worked; and a twenty percent (20%) shift differential shall be paid for the fourth consecutive night shift workweek and each consecutive night shift workweek worked thereafter. These shift differentials shall apply to operations personnel who work a night shift. Shift differentials do not apply to call outs, holdovers or other work performed by personnel assigned to work the day shift.

(b) **Maintenance Personnel** Effective July 1, 2020 the following differentials will increase to 13.33%, 18.33%, 23.33%, and 33.33% respectively. For all personnel who are assigned and scheduled for night-shift maintenance work, a night shift pay differential of five percent (5%) shall be paid for the first night shift workweek worked; a ten percent (10%) shift differential shall be paid for the second consecutive night shift workweek worked; a fifteen percent (15%) shift differential shall be paid for the third consecutive night shift workweek worked; and a twenty percent (20%) shift differential shall be paid for the fourth consecutive night shift workweek and each consecutive night shift workweek worked thereafter. Night shift pay differentials do not apply to call outs, holdovers or other work performed by maintenance personnel who are assigned to work the day shift.

(c) **Maintenance Personnel Special Shift** The first eight hours shall be paid at the straight time rate and any time worked after eight (8) hours shall be paid at the applicable overtime rate. Any work on Saturday and Sunday shall be paid at the applicable overtime rate.

During such projects, an employee will be designated as Foreman and will be paid at the Foreman rate of pay. All affected regular and probationary employees will receive a seven percent (7%) premium over their regular rates of pay for time worked on the five (5) day per week schedule; all employees will receive a twelve and one-half percent (12.5%) premium over their regular rates of pay for night shift or second shift. Effective July 1, 2020 the 12.5% differentials will increase to 13.33%.

Section 5.3.4 **Beluga Relief Time**

An employee working the seven (7) day on, seven (7) day off twelve hour workday schedule at Beluga, and who has been on duty for more than two hours between 11:00 p.m. and 7:00 a.m. if assigned to the day shift, or between 11:00 a.m. and 7:00 p.m. if assigned to the night shift, shall not report for his following scheduled work shift until the employee has had a minimum of eight (8) hours of continuous relief. The employee shall be paid at the applicable rate for scheduled work hours included in his eight (8) hours of relief. If Employer directs the employee to come back to work without the required relief and the employee actually reports to work, the employee shall be compensated at the double time rate for any portion of such required relief period that extends into his regularly scheduled shift

and until such time as the employee is relieved and is able to take a minimum of eight (8) hours of relief. Employer retains the right to direct an employee not to work when, in the opinion of Employer, it is unsafe for the employee to do so. An employee may decline overtime work or work within the eight (8) hours of continuous relief when the employee, in good faith, feels so fatigued that the employee does not believe that the employee can perform the employee's duties safely.

Section 5.4 Workday and Workweek - Cooper Lake

Employees regularly assigned to Cooper Lake shall normally work a straight eight (8) hour day without provision for a meal period. The workday shall begin at 7:00 a.m. and end at 3:00 p.m. The workweek shall be designed to provide for seven day a week coverage and shall rotate as follows: one schedule shall be worked on Monday through Wednesday and Saturday and Sunday with days off Thursday and Friday followed by a workweek of Monday through Friday with days off of Saturday and Sunday. With at least two (2) weeks advance notice, Employer may schedule employees to either the five (5) days per workweek / eight (8) hours per day schedule or the four (4) days per workweek / ten (10) hours per day schedule provided above when operational or maintenance needs require.

Section 5.5 Workday and Workweek - Dispatch

The following provisions shall define the twelve (12) hour shift schedule for the classifications (as defined in Section 7.1, Job Classifications and Job Duties) of Power Dispatcher, Relief Power Dispatcher, Senior Power Dispatcher, and Power Dispatcher Trainee:

Section 5.5.1

Covered employees shall work a twelve (12) hour shift; the Day Shift shall be from 0600 hours to 1800 hours; the Night Shift shall be from 1800 hours to 0600 hours. The workweek is defined as Saturday 1801 hours to the following Saturday at 1800 hours. Shift schedules shall be determined by Employer consistent with procedures established in the Generation Plant Personnel Agreement. This shift cycle shall be based on a published schedule. On the published schedule, the Night Shift will begin at 1800 hours the night before the listed "N".

Section 5.5.2

A shift Differential Premium of two and one-half percent (2 ½%) over the base Day Shift hourly rate will be paid for all hours worked on the Night

Shift (between 1800 and 0600). Effective July 1, 2020 this differential shall increase to thirteen and one third percent (13.33%).

Section 5.5.3

Employer shall pay employees overtime based on the Night Shift Differential Base Premium rate for all scheduled hours worked in the workweek over forty (40). Overtime pay will be calculated on a separate line on the time sheet so that it is not confused with any other compensation that may be earned during the same workweek. Overtime pay shall be at the overtime rate for the shift worked.

Section 5.5.4

A scheduled "Relief Schedule" shall be three consecutive "like" twelve (12) hour shifts. The Employer may reschedule the Relief Schedule (designated as "RRR") to any days in the workweek and/or any shift within the workweek without increasing overtime rates so long as the Relief Schedule is changed prior to five (5) days of its scheduled time and the schedule remains consecutive.

Section 5.5.5

Employer changes in the Relief Schedule made within five (5) days of the scheduled Relief Schedule shall be compensated as follows: the affected employee will be paid overtime based on the base rate for the shift worked for the first twelve (12) hour shift worked; the next two shifts will be paid at the regular base rate for the shift worked.

Section 5.5.6

Employees working with no designated mealtime will eat at their workstation on company time when work permits.

Section 5.5.7 **10 Hour Relief Period for Dispatchers**

A dispatcher working shifts provided in Section 5.5.1 who is called on duty for more than two (2) hours and within ten (10) hours of the start of the employee's next scheduled workday shall be paid at the double time rate for such hours worked and shall be paid the double time rate for working the employee's immediately subsequent workday.

Section 5.6 Workday and Workweek - Electronics Technicians

The Manager of the Telecommunications Department will approve all work schedules for Electronics Technicians' normal work and stand-by duty under the following provisions:

Section 5.6.1

The electronics technicians working the four (4) ten (10) hour shifts will be scheduled for stand-by. The normal workday schedule for the electronic technicians assigned stand-by will be ten (10) hours in length, four (4) days a week. At least two (2) stand-by technicians will start their four (4) day schedule on Mondays, while at least two (2) other stand-by technicians will start their (4) day schedule on Tuesdays of each week. If more than four (4) qualified electronic technicians are available, and the manager determines that additional technicians should be assigned to the stand-by shift, such assignments shall be made according to the seniority of the technicians. Technicians not performing a stand-by shift will be assigned to a floater shift. Technicians working as floaters will work a standard eight (8) hour day, five (5) days per week shift. Technicians working as floaters will be used to perform stand-by when normal stand-by technicians are absent for schools and leaves. When filling in for a stand-by technician, a floater will work the four (4) ten (10) hour shift of the person being replaced for leave or training. All hours worked during the normally scheduled shifts will be compensated at the standard straight-time pay.

Stand-by hours will be from 6:00 p.m. to 6:00 a.m., Monday through Friday, and 6:00 a.m. to 6:00 a.m., Saturdays, Sundays and holidays. Technicians on stand-by will carry company provided pagers and stay within range of the paging device so that they can call Dispatch within fifteen (15) minutes of being paged and arrive at Dispatch within sixty (60) minutes of being paged.

As determined by the Manager, the technicians must be capable of repairing the communications systems essential to the continued operation of Dispatch in order to be assigned stand-by duty. Stand-by duty will be awarded on a seniority basis.

The Manager of Telecommunications will post a schedule of shifts for the coming year the first two (2) weeks of January. Technicians will specify in writing their shift preference based on seniority under this Agreement. Any schedule changes will be posted at least five (5) working days prior to the

beginning of the affected period. A copy of the schedule will also be provided to each technician and Dispatch.

Section 5.6.2 Telecommunications Department High Work Pay

All telecommunications employees working seventy (70) feet above the ground, or higher, shall be paid at the applicable rate for high work for all of the time they are above seventy (70) feet. High time pay is defined as one (1) hour straight time above the applicable hourly rate of pay. A minimum of two (2) hours high time shall be paid to any employee who qualifies for such consideration. No high time shall be paid for any work which is performed less than seventy (70) feet above the ground.

Section 5.6.3 Telecommunications Department Stand-by Pay

Compensation for stand-by hours will be two (2) hours of straight time pay for every twelve hours of stand-by. Any call resulting in a technician leaving his residence will result in the technician being compensated at the applicable overtime rate.

Section 5.7 Workday and Workweek - Information Services

The Manager of Information Services will schedule Information Services personnel for work under the following provisions:

Section 5.7.1 Workday-Workweek

The normal workday and workweek shall consist of five (5) consecutive eight (8) hour days, Monday through Friday inclusive, and will begin and end at the office building of the Employer or at any other point mutually acceptable to the Employer and the Union. The regular workday will be scheduled between the hours of 8:00 a.m. and 5:00 p.m. with a one (1) hour unpaid lunch. The lunch period will be scheduled to begin between the hours of 11:00 a.m. and 1:00 p.m.

Section 5.7.2 Optional Workday-Workweek Eight (8) Hour Day

The Employer may establish an optional work schedule for the Information Services Department whereby the eight (8) hour workday will be scheduled on an individual basis, between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday, inclusive. Work performed during the workday will be at the straight time rate for the first eight (8) hours worked. A one (1) hour unpaid lunch period will be scheduled to begin between the hours of 11:00 a.m. and 1:00 p.m.

Section 5.7.3 Optional Workday-Workweek Ten (10) Hour Day

The Employer may establish an optional four (4) day workweek schedule for the Information Services Department whereby a ten (10) hour workday will be scheduled on an individual basis, between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday, inclusive. The workweek for this schedule will begin either on Monday or Tuesday and be four (4) consecutive days in length. Work performed during the workday will be at the straight time rate for the first ten (10) hours worked. A one (1) hour unpaid lunch period will be scheduled to begin between the hours of 11:00 a.m. and 1:00 p.m.

Section 5.7.5 Schedule Change

The Employer will provide at least three (3) days notice of any workday or workweek schedule changes. The employee has the option of accepting a schedule change with less than three (3) days notice. No employee will be required to lose any straight time hours by reason of a change in workday or workweek schedule, except in case of personal convenience or preference.

Section 5.7.6 Working from Home

(a) **Trouble Calls Addressed from Employee's Home** For bargaining unit employees within the Information Services Department who are provided by the Employer with a computer, modem, and any other necessary equipment, if in the judgment of the employee called regarding a work-related problem outside of the employee's normal work hours, the employee is able to respond from the employee's home, the employee shall be compensated as follows:

- (1) If between 10 p.m. and 5:30 a.m. and the call and response totals twelve (12) minutes, or two-tenths (2/10) of an hour or less, the employee shall be paid at the double-time rate.
- (2) If the call and response totals more than twelve (12) minutes or two-tenths (2/10) of an hour, up to thirty (30) minutes, the employee shall be paid one-half hour at the employee's double-time rate.

- (3) If the call and response is longer than thirty (30) minutes, then the employee shall be paid at the employee's double-time rate for time spent in one-tenth (1/10) hour increments.

(b) **Employer Agrees to Provide Equipment** If the Employer expects an employee to work from home, then the Employer will provide a computer, modem, software, and other items the Employer may deem necessary for such work. Maintenance and repairs of such equipment will be the Employer's expense. The employee will exercise reasonable care and judgment in the use of such equipment supplied by the Employer.

(c) **Relief Time for Work from Home Outside of Normal Workday** For work within the time period beginning eight hours before the employee's next scheduled start time, and ending two hours before the employee's next scheduled start time:

- (1) If an employee has been on duty more than two hours in the period defined above, or
- (2) If the employee has been called at home three or more times within a four hour period contained in the period defined above,

Then, the employee shall not report for the following scheduled work shift until the employee has had a minimum of eight (8) hours of continuous uninterrupted time for rest. The employee shall be paid at the applicable rate for scheduled work hours included in the employee's eight (8) hours of relief. If the Employer directs the employee to come back to work without relief and the employee actually reports to work, the employee shall be compensated at the double-time rate for any portion of such required relief period that extends into the employee's regularly scheduled shift and until such time as the employee is relieved and is able to take a minimum of eight (8) hours of continuous and uninterrupted time for relief. Employer retains the right to direct an employee not to work when, in the opinion of the Employer, it is unsafe for the employee to do so. An employee may decline overtime work or work within the eight (8) hours of continuous relief when the employee, in good faith, feels so fatigued that the employee does not believe that the employee can perform safely.

(d) **Off-Hours Support Dispatcher**

Information Services maintains a weekly schedule of volunteers to act as the off-hours support dispatcher. The rotation begins at the close of business Monday. If Monday is a holiday, the current dispatcher will continue to carry the phone until the next work day.

The dispatcher will carry the Help Desk cell phone from 6:00 PM to 7:30 AM each work day. On non-work days (Saturday-Sunday, Holidays), the dispatcher will carry the cell phone from 7:30 AM to 7:30 AM the next day. The dispatcher will be paid 2 hours of straight time for every 12 hours of coverage. The dispatcher will make every effort to respond to the help desk calls as soon as possible.

The Employer may discontinue use of a volunteer off-hours support dispatcher at any time.

Section 5.7.7 **Relief After Reporting for Duty at Employer's Premises**

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) continuous and uninterrupted 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.

ARTICLE 6
APPRENTICES

Section 6.1 **Apprentices**

An apprentice is an employee who is being trained to qualify as a journeyman in one of the electrical workers trades covered by this Agreement and who has

been properly indentured by the Alaska Joint Apprenticeship Training Committee.

All apprenticeship training will conform to the Alaska Electrical Industry Apprenticeship Standards, as formulated by the Anchorage Electrical Joint Apprenticeship Committee in cooperation with the Bureau of Apprenticeship and Training, United States Department of Labor. In recognition of the nature of such apprenticeship employment, the Employer agrees that:

- (a) Duties and ratio of apprentices to journeyman will be those outlined in a Memorandum of Understanding to be entered into between the Employer and the Union, subject to the approval of the Anchorage Joint Apprenticeship Committee, which said memorandum will be posted on the appropriate bulletin board as contemplated herein.

Section 6.2 Alaska Electrical Apprenticeship and Training Fund

The Employer shall contribute ten cents (\$0.10) per compensable hour for each employee, but not to exceed forty (40) compensable hours per week per employee, to a jointly administered apprenticeship program.

**ARTICLE 7
ORGANIZATION OF THE EMPLOYER**

Section 7.1 Job Classifications and Job Duties

The Employer will initiate job classifications and job duties. Such job duties will be developed pursuant to Section 3.4.6, Classification Committee.

Section 7.2 Delegation of Authority

The delegation of authority to personnel will be as set forth in the organizational chart of Employer. Employer's organizational chart will be kept current with all classifications included and will be posted on the appropriate bulletin boards in accordance with Section 2.9, Union Bulletin Boards.

ARTICLE 8 SAFETY

Section 8.1 State Safety Code

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 8.1.1 Dangerous or Hazardous Work

The Employer, Union and employees have a shared interest in ensuring work is performed in a safe manner. Employees will not be required to work under unsafe conditions. Employees will assess the potential of risks and communicate with their supervisors to ensure all activities are safely completed.

Section 8.2 Safety and Industrial Training

Except for employees assigned to the Information Services Department, Employer will schedule, and the employees concerned will participate in, no less than twenty-four (24) hours per year of safety and industrial training which will be during regular hours of work and of which at least twelve (12) hours shall be held during safety meetings.

Section 8.2.1

Employer agrees to continue the current practice for safety meetings as currently established at the Employer's facilities, and the time scheduled as required. Safety meetings will be scheduled once per shift for employees at Beluga. Safety meetings for Dispatchers, Bernice Lake Power Plant, Cooper Lake Power Plant, and the Telecommunications Section will be scheduled once per month.

Section 8.2.2 For Information Services Only

The personnel of Information Services will have a safety meeting scheduled once every two months, if necessary safety issues for discussion are listed on a written agenda; such agenda to be circulated among the employees at least one week in advance of the scheduled meeting date. If there are no issues listed, the meeting may not be held.

Section 8.3 First-Aid and CPR Certification and Training

The Employer agrees to continue the current practice and Employer policy as related to First Aid and CPR certification and training for the term of the current Agreement. If an employee bids and is awarded a job where a First Aid or CPR certificate is required, the employee shall have ninety (90) days to obtain such certification.

Section 8.4 Pre-employment Physical Examination

All applicants for employment must have a medical examination prior to starting work in a classification covered hereunder. Employer may require a complete pre-employment medical examination of an employee be made by a properly licensed medical doctor, to be chosen by the Employer, and such examinations will be at the Employer's expense. Pre-employment physicals will be scheduled by the Employer as soon as possible following notice of hire.

Section 8.5 Emergency and First Aid Equipment

Employer will furnish such safety devices and equipment as may be reasonably necessary to the safety of employees hereunder, and such first aid equipment and supplies as may be reasonably necessary for proper emergency treatment of such employees. All reasonably necessary protective equipment for employees working on energized facilities will be furnished and properly maintained by Employer. Employees hereunder will use safety equipment on all appropriate occasions. Employer agrees to update all safety equipment on a scheduled basis.

Section 8.6 Operational Safety

In the interest of safety at its several generation stations, Employer agrees to make the following assignments or install the following equipment:

- (a) When it is necessary to replace brushes at all Chugach power plants while the generation equipment is operating, no employee will be required to do so while alone on the premises.
- (b) Rubber mats will be installed at all places within power stations where reasonably necessary to safety, which will include in front of all generator panels.
- (c) Buzzer-type alarm systems will be installed in those power stations where the Employer finds their installation reasonably necessary to safety.

If one-man shifts are utilized at Chugach generating facilities, an alarm system will be installed at each such station which will alert, as necessary, the dispatcher on duty at Employer's Power Dispatch Center.

(d) Portable communication devices for the safety of the employees at Beluga will be provided.

(e) The Employer agrees to update all safety equipment on a scheduled basis, and set up a procedure for reporting safety complaints with a time limit of five (5) working days for corrective action.

Section 8.7 For Cause Drug or 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.

"For-Cause" drug or alcohol testing will be applicable to all employees covered by this Agreement.

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.

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.

The testing shall be done by a qualified Laboratory ("the Laboratory") designated by Employer.

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.

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 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 for laboratory testing without the presence of a Union representative.

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.

The employee may not be required to take a drug 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 testing procedure contained herein shall be used.

It will be the responsibility of the employee to notify the Laboratory of any prescription or non-prescription medication the employee is taking.

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 Union representative.

Third party reports of drug use or aberrant behavior which are not confirmed by Employer representative observations shall not constitute probable suspicion or be grounds for testing.

The Employer will require urine specimens 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.

Failure to provide a specimen, refusal to take a drug 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.

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.

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.

The initial and confirmation cutoff levels used when screening urine (or breath samples for alcohol) 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 DOT 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	10 ng/mL	Morphine	2000 ng/mL
6-Acetylmorphine	300 ng/mL	6-Acetylmorphine	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		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		MDMA	250 ng/mL
MDMA/MDA		MDA	250 ng/mL
Alcohol		100 mg/dl	n/a

- (1) Delta-9-tetrahydrocannabinol-9-carboxylic acid
- (2) Benzoylecgonine
- (3) 25 mg/ml if immunoassay specific for free morphine

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.

Test results which are below the levels specified herein shall be considered negative indications and shall be reported to the Employer as such.

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.

Employees suffering from alcoholism 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.

Section 8.8 Random Drug Testing

In the interest of promoting the highest standards of workplace excellence and safety, the parties agree to adopt a random drug 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. Former ML&P employees not currently in a random drug testing pool will be included in the selection pool for this program six months after the effective date of the Transition Agreement in Appendix D of this agreement.

8.9 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.

8.10 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 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/or 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.

ARTICLE 9 DISCIPLINE

Section 9.1 Misuse of the 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 9.2 Compliance with 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 9.3 **Performance of Work**

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

Section 9.4 **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 9.5 **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.

Section 9.6 **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.

Section 9.7 Statement of Intent Regarding Progressive Discipline

Under the Progressive Discipline Section of each 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 9.8 Picket Line

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

**ARTICLE 10
GRIEVANCE PROCEDURE**

Section 10.1 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 General Manager, 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 2.6, Shop Steward, 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 10.2 Grievance

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

Section 10.3 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:

Step One: 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.

Step Two: 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 follow.

Step Three: 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.

Step Four: 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.

Step Five: 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.

Step Six: 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 10.4 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 cross-examine. 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 the 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 11 MISCELLANEOUS

Section 11.1 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 11.2 Communications and Notices

All communications between the parties that are contemplated or required by this Agreement will be in 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 specified 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 11.3 **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 11.4 **Accommodations**

The Employer will furnish a suitable room with lockers for clothes, tools, and other personal possessions and with facilities for drying clothing and equipment.

Section 11.5 **Employer Supplied Protective Garments**

Employer will make available to welders in power plants leather aprons and/or other protective garments for the protection of their work clothes.

Section 11.6 **Identification Cards**

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

Section 11.7 **Clothing Allowance**

For regular bargaining unit employees and for temporary employees employed more than six (6) consecutive months in operator, clerk and warehouse job classifications, Employer shall pay a yearly clothing allowance stipend of \$200. For regular bargaining unit employees and for temporary employees employed more than six (6) consecutive months in maintenance and communications classifications, Employer shall pay a yearly clothing allowance stipend of \$400.

For regular bargaining unit employees in relief maintenance operator classifications, Employer shall pay a yearly clothing allowance stipend of \$300. The stipend shall be paid to eligible regular employees employed as of January 15 of each year and shall be issued with the paycheck immediately thereafter; the stipend shall be paid to eligible temporary employees with the first paycheck paid after the employee has worked six (6) consecutive months.

These clothing allowances are intended to be used by employees to purchase work clothing to be worn at the job site.

Section 11.8 Dispatch NERC Certificate Reimbursement

An employee will be reimbursed for the NERC test fee and NERC Review Course with advance approval by the Employer, and upon submission of appropriate documentation. The employee must successfully pass the NERC test to obtain this reimbursement.

Section 11.9 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.

Section 11.10 Maintenance of Existing Certifications

Employer agrees that it will endeavor in good faith, subject to considerations of cost, to schedule update training, refresher courses or any continuing training related to certifications currently held by bargaining unit members during normal shift days and hours for employees affected.

Section 11.11 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. 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.

ARTICLE 12 HEALTH AND WELFARE AND PENSION PLANS

Section 12.1 Health and Welfare Benefit Plan

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 #553, Vision Plan #701, Dental Plan #601, Disability Plan #801, and Life Insurance Plan #903. The Employer will pay Health and Welfare premiums as provided in the 2016-2019 ML&P Agreement. (As of April 1, 2018, the total monthly premium per employee is \$2,006.00, of which the Employer pays \$1688.66 on behalf of each employee. The employee pays the remaining \$317.84 of the premium. These totals are subject to change April 1st of each year.)

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 D to see the employee health and welfare premium cost.

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.

Section 12.1.1 Health and Welfare Supplemental Payments

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 individual's names for whom the deductions 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.

Section 12.2 Life Insurance Benefits

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

Section 12.3 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 12.4 Employer's 401 (k) Plan

All employees covered under this Agreement are eligible to contribute to Chugach Electric Association's 401(k) plan. Each employee may make contributions up to the legal maximum amount as provided by law.

Section 12.5 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 12.6 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 13
PENSION**

Section 13.1 Pension Plan

Employer agrees to participate in, and to contribute to, the Alaska Electrical Pension Fund, a trust fund which was established pursuant to (1) an agreement between the Union and the Alaska Chapter of the National Electrical Contractors Association, Inc. and (2) that certain Declaration of Trust Agreement entered into by the aforesaid parties for the purpose of providing pension benefits for those persons covered by the said Agreement.

**Employees employed in classifications other than Information Services:
The parties agree to increase the current Pension Contribution of \$7.20;
by \$0.25 on July 1, 2017, by \$0.25 on July 1, 2018, by \$0.25 on July 1,
2019, by \$0.88 on July 1, 2020, by \$0.25 on July 1, 2021, by \$0.25 on July
1, 2022, by \$0.25 on July 1, 2023, and by \$0.25 on July 1, 2024.**

**Employees employed in classifications in Information Services:
The parties agree to increase the current Pension Contribution of \$6.40;
by \$0.25 on July 1, 2017, by \$0.25 on July 1, 2018, by \$0.25 on July 1, 2019,**

by \$0.88 on July 1, 2020, by \$0.45 on July 1, 2021, by \$0.45 on July 1, 2022, by \$0.45 on July 1, 2023, and by \$0.45 on July 1, 2024.

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Units will refer to the transition agreement in Appendix D to see the employee Pension contribution.

Money Purchase Plan. An Employer Contribution of 1.9% of gross annual earnings will become effective on the date of sale or July 1, 2020 which ever is later. Employees may voluntarily contribute to the Alaska Electrical Workers Money Purchase Plan upon presentation of a properly signed authorization form to the Employer. The Employer agrees to withhold and forward voluntary money purchase plan contributions authorized by an Employee. This authorization for deduction may be discontinued at any time by the employee.

The foregoing payments to the Fund made by Employer will entitle the said covered employees of Employer to pension payments under such terms and conditions as may be lawfully provided for the administration and management of said Fund. All payments due hereunder will be made to the said Fund on or before the fifteenth (15) day of the month following the month in which said compensable hours were earned by employees.

Section 13.2 Pension Reallocation

Any covered employee who is a participant in the Alaska Electrical 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 supplement agreement will cause the Employer to contribute more or less on behalf of an employee than the amount specified in the collective bargaining agreement.

ARTICLE 14 POLITICAL ACTION COMMITTEE FUND

With voluntary authorization by an employee on a form supplied by the Union, the Employer agrees to deduct a flat amount per pay period from the employee's wages to be submitted to the IBEW Local Union 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 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.

ARTICLE 15 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 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 16 JOB CLASSIFICATIONS AND WAGE SCHEDULES

Section 16.1 Wage Rates and Classifications

The job classifications and wage rates listed in this article and subsections, and including any other job classifications and wage rates that are established by the Employer and Union according to the Agreement, are covered by the Agreement.

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%). Effective, July 1, 2020 the base wage rates of the former ML&P employees shall increase five percent (5%).

The following percentage wage increases will apply to CEA and Former ML&P in Generation exclusive of IS 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 the Anchorage CPI-U at no less than two percent (2%) an at no more than three percent (3%).

Effective, July 1, 2023: the base wage rates for all classifications shall increase by the Anchorage CPI-U at no less than two percent (2%) an at no more than three percent (3%).

Effective, July 1, 2024: the base wage rates for all classifications shall increase by the Anchorage CPI-U at no less than two percent (2%) an at no more than three and one third percent (3.3%).

The following percentage wage increases will apply to IS CEA and Former IS ML&P employees in Generation:

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 the Anchorage CPI-U at no less than two and one half percent (2.5%).

Effective, July 1, 2023: the base wage rates for all classifications shall increase by the Anchorage CPI-U at no less than two and one half percent (2.5%)

Effective, July 1, 2024: the base wage rates for all classifications shall increase by the Anchorage CPI-U at no less than two percent (2%) and at no more than three and one third percent (3.3%).

Generation Plant Personnel Agreement

Generation Wages

Contract Period July 1, 2018 Through June 30, 2019

Note: \$1.33 Movement of monies from wages to pension effective 8-14-02

Note: \$.70 Movement of monies from wages to pension effective 7-1-12

Job Code	Grd	Step	Job Classification	%	Effective Date	Change	Hourly Rate	10 % Longevity
					7/1/12	3.20%	\$45.30	\$49.83
3243	10		Electronics Technician II	100%	7/1/12	\$ (0.70)	\$44.60	\$49.13
6401	5		Heavy Equipment /Plant Maintenance		7/1/13	3.75%	\$46.27	\$50.90
3204	2		Instrument and Controls Technician		7/1/14	3.25%	\$47.77	\$52.55
6601	16		Machinist Maintenance Technician		7/1/15	2.50%	\$48.96	\$53.86
6301	8		Maintenance Electrician		7/1/16	2.50%	\$50.18	\$55.20
6701 / 7102	4		Maintenance Operator		7/1/17	1.50%	\$50.93	\$56.03
6501	1		Maintenance Technician		7/1/18	2.00%	\$51.95	\$57.15
7101	3		Welding Maintenance Technician					
					7/1/12	3.20%	\$50.74	\$55.81
	15		Foreman	112%	7/1/12	\$ (0.70)	\$50.04	\$55.11
3213	15		Senior Electronics Technician		7/1/13	3.75%	\$51.82	\$57.00
					7/1/14	3.25%	\$53.50	\$58.85
					7/1/15	2.50%	\$54.84	\$60.32
					7/1/16	2.50%	\$56.20	\$61.82
					7/1/17	1.50%	\$57.04	\$62.75
					7/1/18	2.00%	\$58.18	\$64.00
					7/1/12	3.20%	\$51.19	\$56.31
3211	13		Relief Power Dispatcher	113%	7/1/12	\$ (0.70)	\$50.49	\$55.61
3210	14		Senior Power Dispatcher		7/1/13	3.75%	\$52.29	\$57.52
					7/1/14	3.25%	\$53.98	\$59.38
					7/1/15	2.50%	\$55.32	\$60.85
					7/1/16	2.50%	\$56.70	\$62.37
					7/1/17	1.50%	\$57.55	\$63.31
					7/1/18	2.00%	\$58.70	\$64.57
					7/1/12	3.20%	\$48.92	\$53.81
3209	12		Power Dispatcher	108%	7/1/12	\$ (0.70)	\$48.22	\$53.11
					7/1/13	3.75%	\$49.97	\$54.97
					7/1/14	3.25%	\$51.59	\$56.75
					7/1/15	2.50%	\$52.88	\$58.17
					7/1/16	2.50%	\$54.19	\$59.61
					7/1/17	1.50%	\$55.00	\$60.50
					7/1/18	2.00%	\$56.10	\$61.71
					7/1/12	3.20%	\$47.57	\$52.33
3239	7		Energy Supply Operations Maintenance Tech	105%	7/1/12	\$ (0.70)	\$46.87	\$51.63
6717	7		Hydro Generation Maintenance Operator		7/1/13	3.75%	\$48.58	\$53.44
6702	7		Relief Maintenance Operator		7/1/14	3.25%	\$50.16	\$55.18
7112	7		Maintenance Operator - IGT		7/1/15	2.50%	\$51.41	\$56.55
					7/1/16	2.50%	\$52.69	\$57.96
					7/1/17	1.50%	\$53.48	\$58.83
					7/1/18	2.00%	\$54.55	\$60.00
					7/1/12	3.20%	\$47.11	\$51.82
6813	6		Leadman - Communications	104%	7/1/12	\$ (0.70)	\$46.41	\$51.12
					7/1/13	3.75%	\$48.12	\$52.93
					7/1/14	3.25%	\$49.68	\$54.65
					7/1/15	2.50%	\$50.92	\$56.01
					7/1/16	2.50%	\$52.19	\$57.41
					7/1/17	1.50%	\$52.97	\$58.27

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Note: \$.70 Movement of monies from wages to pension effective 7-1-12

Job Code	Grd	Step	Job Classification	%	Effective Date	Change	Hourly Rate	10 % Longevity
					7/1/18	2.00%	\$54.03	\$59.44
					7/1/12	3.20%	\$40.77	\$44.85
7122 / 8103	20		Power Plant Warehouseman	90%	7/1/12	\$ (0.70)	\$40.07	\$44.15
					7/1/13	3.75%	\$41.64	\$45.80
					7/1/14	3.25%	\$42.99	\$47.29
					7/1/15	2.50%	\$44.06	\$48.47
					7/1/16	2.50%	\$45.16	\$49.68
					7/1/17	1.50%	\$45.84	\$50.42
					7/1/18	2.00%	\$46.75	\$51.43
					7/1/12	3.20%	\$42.13	\$46.34
7104	19		Boiler Operator (effective after 07/01/00)	93%	7/1/12	\$ (0.70)	\$41.43	\$45.64
8101 / 7120	19		Generation Warehouseman		7/1/13	3.75%	\$43.03	\$47.33
8109	19		Power Plant Warehouseman 93% Grandfathered		7/1/14	3.25%	\$44.43	\$48.87
					7/1/15	2.50%	\$45.53	\$50.08
					7/1/16	2.50%	\$46.67	\$51.34
					7/1/17	1.50%	\$47.37	\$52.11
					7/1/18	2.00%	\$48.32	\$53.15
					7/1/12	3.20%	\$37.60	\$41.36
6502	17		Maintenance Helper	83%	7/1/12	\$ 0.70)	\$36.90	\$40.66
					7/1/13	3.75%	\$38.40	\$42.24
					7/1/14	3.25%	\$39.65	\$43.62
					7/1/15	2.50%	\$40.64	\$44.70
					7/1/16	2.50%	\$41.65	\$45.82
					7/1/17	1.50%	\$42.27	\$46.50
					7/1/18	2.00%	\$43.12	\$47.43
					7/1/12	3.20%	\$27.18	\$29.90
5538	27		Project Clerk	60%	7/1/12	\$ (0.70)	\$26.48	\$29.20
					7/1/13	3.75%	\$27.76	\$30.54
					7/1/14	3.25%	\$28.66	\$31.53
					7/1/15	2.50%	\$29.38	\$32.32
					7/1/16	2.50%	\$30.11	\$33.12
					7/1/17	1.50%	\$30.56	\$33.62
					7/1/18	2.00%	\$31.17	\$34.29
					7/1/12	3.20%	\$24.92	\$27.41
5518 5519	18		General Clerk (Eff 12/06/85)	55%	7/1/12	\$ (0.70)	\$24.22	\$26.71
5549 5523					7/1/13	3.75%	\$25.45	\$28.00
					7/1/14	3.25%	\$26.27	\$28.90
					7/1/15	2.50%	\$26.93	\$29.62
					7/1/16	2.50%	\$27.60	\$30.36
					7/1/17	1.50%	\$28.01	\$30.82
					7/1/18	2.00%	\$28.57	\$31.43
	21		Power Dispatcher Trainee					
			% Equal to Power Dispatcher Rate					
					7/1/12	3.20%	\$31.80	\$34.98
3231	21	1	First 1,000 Hours	65%	7/1/12	\$ 0.70)	\$31.10	\$34.28
					7/1/13	3.75%	\$32.48	\$35.73

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Note: \$.70 Movement of monies from wages to pension effective 7-1-12

Job Code	Grd	Step	Job Classification	%	Effective Date	Change	Hourly Rate	10 % Longevity
					7/1/14	3.25%	\$33.53	\$36.88
					7/1/15	2.50%	\$34.37	\$37.81
					7/1/16	2.50%	\$35.22	\$38.74
					7/1/17	1.50%	\$35.75	\$39.32
					7/1/18	2.00%	\$36.46	\$40.11
					7/1/12	3.20%	\$36.69	\$40.36
3232	21	2	Second 1,000 Hours	75%	7/1/12	\$ (0.70)	\$35.99	\$39.66
					7/1/13	3.75%	\$37.48	\$41.23
					7/1/14	3.25%	\$38.69	\$42.56
					7/1/15	2.50%	\$39.66	\$43.63
					7/1/16	2.50%	\$40.64	\$44.70
					7/1/17	1.50%	\$41.25	\$45.37
					7/1/18	2.00%	\$42.07	\$46.28
					7/1/12	3.20%	\$41.58	\$45.74
3333, 3237	21	3	Third 1,000 Hours	85%	7/1/12	\$ (0.70)	\$40.88	\$45.04
					7/1/13	3.75%	\$42.47	\$46.72
					7/1/14	3.25%	\$43.85	\$48.24
					7/1/15	2.50%	\$44.95	\$49.45
					7/1/16	2.50%	\$46.06	\$50.67
					7/1/17	1.50%	\$46.75	\$51.43
					7/1/18	2.00%	\$47.69	\$52.45
					7/1/12	3.20%	\$46.47	\$51.12
3234, 3240	21	4	Fourth 1,000 Hours	95%	7/1/12	\$ (0.70)	\$45.77	\$50.42
					7/1/13	3.75%	\$47.47	\$52.22
					7/1/14	3.25%	\$49.01	\$53.91
					7/1/15	2.50%	\$50.24	\$55.26
					7/1/16	2.50%	\$51.48	\$56.63
					7/1/17	1.50%	\$52.25	\$57.48
					7/1/18	2.00%	\$53.30	\$58.63
	22		Plant Helper					
			% Equal to Journeyman Rate					
					7/1/12	3.20%	\$24.92	\$27.41
8301	22	1	1-12 Months	55%	7/1/12	\$ (0.70)	\$24.22	\$26.71
					7/1/13	3.75%	\$25.45	\$28.00
					7/1/14	3.25%	\$26.27	\$28.90
					7/1/15	2.50%	\$26.93	\$29.62
					7/1/16	2.50%	\$27.60	\$30.36
					7/1/17	1.50%	\$28.01	\$30.82
					7/1/18	2.00%	\$28.57	\$31.43
					7/1/12	3.20%	\$29.45	\$32.40
8302	22	2	13-18 Months	65%	7/1/12	\$ (0.70)	\$28.75	\$31.70
					7/1/13	3.75%	\$30.08	\$33.09
					7/1/14	3.25%	\$31.05	\$34.16
					7/1/15	2.50%	\$31.82	\$35.00
					7/1/16	2.50%	\$32.62	\$35.88
					7/1/17	1.50%	\$33.11	\$36.42

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Note: \$.70 Movement of monies from wages to pension effective 7-1-12

Job Code	Grd	Step	Job Classification	%	Effective Date	Change	Hourly Rate	10 % Longevity
					1/7/18	2.00%	\$33.77	\$37.15
					7/1/12	3.20%	\$33.98	\$37.38
8303	22	3	19-24 Months	75%	7/1/12	\$ 0.70)	\$33.28	\$36.68
					7/1/13	3.75%	\$34.70	\$38.17
					7/1/14	3.25%	\$35.83	\$39.41
					7/1/15	2.50%	\$36.72	\$40.39
					7/1/16	2.50%	\$37.64	\$41.40
					7/1/17	1.50%	\$38.20	\$42.03
					7/1/18	2.00%	\$38.97	\$42.87
					7/1/12	3.20%	\$37.60	\$41.36
8304	22	4	After 24 Months	83%	7/1/12	\$ (0.70)	\$36.90	\$40.66
					7/1/13	3.75%	\$38.40	\$42.24
					7/1/14	3.25%	\$39.65	\$43.62
					7/1/15	2.50%	\$40.64	\$44.70
					7/1/16	2.50%	\$41.65	\$45.82
					7/1/17	1.50%	\$42.27	\$46.50
					7/1/18	2.00%	\$43.12	\$47.43
	23		Maintenance Operator Apprentice					
			% Equal to Maintenance Operator Rate					
					7/1/12	3.20%	\$29.45	\$32.40
6710	23	1	First 1,000 Hours	65%	7/1/12	\$ (0.70)	\$28.75	\$31.70
					7/1/13	3.75%	\$30.08	\$33.09
					7/1/14	3.25%	\$31.05	\$34.16
					7/1/15	2.50%	\$31.82	\$35.00
					7/1/16	2.50%	\$32.62	\$35.88
					7/1/17	1.50%	\$33.11	\$36.42
					7/1/18	2.00%	\$33.77	\$37.15
					7/1/12	3.20%	\$31.71	\$34.88
6711	23	2	1001 to 2000 Hours	70%	7/1/12	\$ (0.70)	\$31.01	\$34.18
					7/1/13	3.75%	\$32.39	\$35.63
					7/1/14	3.25%	\$33.44	\$36.78
					7/1/15	2.50%	\$34.27	\$37.70
					7/1/16	2.50%	\$35.13	\$38.64
					7/1/17	1.50%	\$35.66	\$39.22
					7/1/18	2.00%	\$36.37	\$40.01
					7/1/12	3.20%	\$33.98	\$37.38
6712	23	3	2001 to 3000 Hours	75%	7/1/12	\$ (0.70)	\$33.28	\$36.68
					7/1/13	3.75%	\$34.70	\$38.17
					7/1/14	3.25%	\$35.83	\$39.41
					7/1/15	2.50%	\$36.72	\$40.39
					7/1/16	2.50%	\$37.64	\$41.40
					7/1/17	1.50%	\$38.20	\$42.03
					7/1/18	2.00%	\$38.97	\$42.87
					7/1/12	3.20%	\$36.24	\$39.86
6713	23	4	3001 to 4000 Hours	80%	7/1/12	\$ (0.70)	\$35.54	\$39.16
					7/1/13	3.75%	\$37.02	\$40.72

Generation Plant Personnel Agreement
Generation Wages

Contract Period July 1, 2018 Through June 30, 2019

Note: \$1.33 Movement of monies from wages to pension effective 8-14-02

Note: \$.70 Movement of monies from wages to pension effective 7-1-12

Job Code	Grd	Step	Job Classification	%	Effective Date	Change	Hourly Rate	10 % Longevity
					7/1/14	3.25%	\$38.22	\$42.04
					7/1/15	2.50%	\$39.17	\$43.09
					7/1/16	2.50%	\$40.14	\$44.15
					7/1/17	1.50%	\$40.74	\$44.82
					7/1/18	2.00%	\$41.56	\$45.71
					7/1/12	3.20%	\$38.51	\$42.36
6714	23	5	4001 to 5000 Hours	85%	7/1/12	\$ (0.70)	\$37.81	\$41.66
					7/1/13	3.75%	\$39.33	\$43.26
					7/1/14	3.25%	\$40.60	\$44.66
					7/1/15	2.50%	\$41.62	\$45.78
					7/1/16	2.50%	\$42.65	\$46.92
					7/1/17	1.50%	\$43.29	\$47.62
					7/1/18	2.00%	\$44.16	\$48.57
					7/1/12	3.20%	\$40.77	\$44.85
6715	23	6	5001 to 6000 Hours	90%	7/1/12	\$ (0.70)	\$40.07	\$44.15
					7/1/13	3.75%	\$41.64	\$45.80
					7/1/14	3.25%	\$42.99	\$47.29
					7/1/15	2.50%	\$44.06	\$48.47
					7/1/16	2.50%	\$45.16	\$49.68
					7/1/17	1.50%	\$45.84	\$50.42
					7/1/18	2.00%	\$46.75	\$51.43
					7/1/12	3.20%	\$43.04	\$47.34
6716	23	7	6001 to 8000 Hours	95%	7/1/12	\$ (0.70)	\$42.34	\$46.64
					7/1/13	3.75%	\$43.96	\$48.36
					7/1/14	3.25%	\$45.38	\$49.92
					7/1/15	2.50%	\$46.51	\$51.16
					7/1/16	2.50%	\$47.67	\$52.44
					7/1/17	1.50%	\$48.39	\$53.22
					7/1/18	2.00%	\$49.35	\$54.29

Note: Apprentice Wireman are to be paid a percentage of the Generation Agreement Journeyman Wage Rate, as determined by the Apprenticeship Program

Wage Rates and Classifications

Information Services Employees

Contract Period July 1, 2017 through June 30, 2019

Note: \$.53 Movement of Monies from wages to pension effective 7-18-02

Note: \$.70 Movement of monies from wages to pension effective 7-1-12

Grade / Job Classification	Effective Date	Change	Steps					Longty Step 98	10% Longty Step 99	
			Start Step 1	6 months Step 2	1 Year Step 3	2 Years Step 4	3 Years Step 5			
Grade 2										
PC Support Specialist I	7/1/2012	3.2%	\$22.37	\$23.58	\$24.89	\$26.24	\$27.63	n/a	\$29.12	n/a
Software Support Specialist I	7/1/2012	-70.0%	\$21.67	\$22.88	\$24.19	\$25.54	\$26.93	n/a	\$28.42	n/a
	7/1/2013	3.75%	\$22.48	\$23.74	\$25.10	\$26.50	\$27.94	n/a	\$29.49	n/a

**Wage Rates and Classifications
Information Services Employees
Contract Period July 1, 2017 through June 30, 2019**

Note: \$.53 Movement of Monies from wages to pension effective 7-18-02

Note: \$.70 Movement of monies from wages to pension effective 7-1-12

	7/1/2014	3.25%	\$23.21	\$24.51	\$25.92	\$27.36	\$28.85	n/a	\$30.45	n/a
	7/1/2015	2.50%	\$23.79	\$25.12	\$26.57	\$28.04	\$29.57	n/a	\$31.21	n/a
	7/1/2016	2.50%	\$24.38	\$25.75	\$27.23	\$28.74	\$30.31	n/a	\$31.99	n/a
	7/1/2017	1.50%	\$24.75	\$26.14	\$27.64	\$29.17	\$30.76	n/a	\$32.47	na
	7/1/2018	2.00%	\$25.24	\$26.66	\$28.19	\$29.75	\$31.38	n/a	\$33.12	na
Grade 3										
Analyst/Programmer Trainee	7/1/2012	3.2%	\$24.95	\$26.32	\$27.68	\$29.17	\$30.76	n/a	\$32.45	n/a
Software Support Specialist II	7/1/2012	-70.0%	\$24.25	\$25.62	\$26.98	\$28.47	\$30.06	n/a	\$31.75	n/a
	7/1/2013	3.75%	\$25.16	\$26.58	\$27.99	\$29.54	\$31.19	n/a	\$32.94	n/a
	7/1/2014	3.25%	\$25.98	\$27.44	\$28.90	\$30.50	\$32.20	n/a	\$34.01	n/a
	7/1/2015	2.50%	\$26.63	\$28.13	\$29.62	\$31.26	\$33.01	n/a	\$34.86	n/a
	7/1/2016	2.50%	\$27.30	\$28.83	\$30.36	\$32.04	\$33.84	n/a	\$35.73	n/a
	7/1/2017	1.50%	\$27.71	\$29.26	\$30.82	\$32.52	\$34.35	n/a	\$36.27	n/a
	7/1/2018	2.00%	\$28.26	\$29.85	\$31.43	\$33.17	\$35.03	n/a	\$36.99	n/a
Grade 4										
PC Support Specialist II	7/1/2012	3.2%	\$27.79	\$29.29	\$30.88	\$32.53	\$34.27	n/a	\$36.13	\$39.74
Software Support Specialist (Grandfathered)	7/1/2012	-70.0%	\$27.09	\$28.59	\$30.18	\$31.83	\$33.57	n/a	\$35.43	\$39.04
	7/1/2013	3.75%	\$28.11	\$29.66	\$31.31	\$33.02	\$34.83	n/a	\$36.76	\$40.44
	7/1/2014	3.25%	\$29.02	\$30.62	\$32.33	\$34.09	\$35.96	n/a	\$37.95	\$41.75
	7/1/2015	2.50%	\$29.75	\$31.39	\$33.14	\$34.94	\$36.86	n/a	\$38.90	\$42.79
	7/1/2016	2.50%	\$30.49	\$32.17	\$33.97	\$35.81	\$37.78	n/a	\$39.87	\$43.86
	7/1/2017	1.50%	\$30.95	\$32.65	\$34.48	\$36.35	\$38.35	n/a	\$40.47	\$44.52
Grade 5										
Analyst/Programmer	7/1/2012	3.2%	\$31.07	\$32.74	\$34.51	\$36.37	\$38.30	\$42.13	\$40.38	\$44.42
Lead Support Specialist	7/1/2012	-70.0%	\$30.37	\$32.04	\$33.81	\$35.67	\$37.60	\$41.43	\$39.68	\$43.72
	7/1/2013	3.75%	\$31.51	\$33.24	\$35.08	\$37.01	\$39.01	\$42.91	\$41.17	\$45.29
	7/1/2014	3.25%	\$32.53	\$34.32	\$36.22	\$38.21	\$40.28	\$44.31	\$42.51	\$46.76
	7/1/2015	2.50%	\$33.34	\$35.18	\$37.13	\$39.17	\$41.29	\$45.42	\$43.57	\$47.93
	7/1/2016	2.50%	\$34.17	\$36.06	\$38.06	\$40.15	\$42.32	\$46.55	\$44.66	\$49.13
	7/1/2017	1.50%	\$34.68	\$36.60	\$38.63	\$40.75	\$42.95	\$47.25	\$45.33	\$49.87
	1/1/2018	2.00%	\$35.38	\$37.33	\$39.40	\$41.57	\$43.81	\$48.19	\$46.24	\$50.86
Grade 7										
Database Administrator	7/1/2012	3.2%	\$35.38	\$37.29	\$39.28	\$41.37	\$43.64	n/a	\$45.97	n/a
Lead Analyst/Programmer	7/1/2012	-70.0%	\$34.68	\$36.59	\$38.58	\$40.67	\$42.94	n/a	\$45.27	n/a
Network Administrator	7/1/2013	3.75%	\$35.98	\$37.96	\$40.03	\$42.20	\$44.55	n/a	\$46.97	n/a
Systems Administrator	7/1/2014	3.25%	\$37.15	\$39.19	\$41.33	\$43.57	\$46.00	n/a	\$48.50	n/a
Systems Administrator	7/1/2015	2.50%	\$38.08	\$40.17	\$42.36	\$44.66	\$47.15	n/a	\$49.71	n/a
	7/1/2016	2.50%	\$39.03	\$41.17	\$43.42	\$45.78	\$48.33	n/a	\$50.95	n/a
	7/1/2017	1.50%	\$39.62	\$41.79	\$44.07	\$46.47	\$49.05	n/a	\$51.71	n/a
	7/1/2018	2.00%	\$40.41	\$42.62	\$44.95	\$47.40	\$50.04	n/a	\$52.75	

APPENDIX A

INFORMATION SERVICES ONLY

Section 2.13 Contracting Out – Purpose

It is understood and agreed that the function of Sections 2.13.1 through 2.13.3 are 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.

Section 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.

Section 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.

Section 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 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.

APPENDIX B

MEMORANDUM OF AGREEMENT

In the event state or federal law does not require that an employee who becomes the parent of either a new-born or adopted child receive at least eight weeks of leave, the following provision shall become a part of the collective bargaining agreements with the Outside, Generation, and Office & Engineering bargaining units:

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 a child. All accrued annual leave in excess of forty (40) hours will be taken prior to commencing leave without pay. Whenever possible, parent leave shall be requested at least ninety (90) days in advance.

Appendix C

Shift Differential/Boiler/Senior Pay

Former ML&P employees as of the Effective Date of the Transition Agreement will be eligible for a shift differential of 13.33% as applies in the following sections of this Agreement: Section 5.11(b), Section 5.2.7, Section 5.3. 3(a), (b), and (c), Section 5.5.2. Effective July 1, 2020 all CEA employees will be eligible for a shift differential of 13.33% as applies in the following sections of this Agreement: Section 5.2.7, Section 5.3.3 (a), (b), and (c), Section 5.5.2.

Boiler Pay

Boiler License Pay Enhancement for Former ML&P employees. Regular employees assigned to Generation who have a 1st class Boiler Operator License, shall be compensated at an additional five and seven-tenths percent (5.7%) above the employee's base rate, while employed in the Generation Division, including the Chief Shop Steward if employed in the Generation Division at the time of appointment. Any former ML&P employee with boiler pay will not be eligible for the senior pay program.

SPP/Plant 1/ Plant 2A Senior Pay

This provision modifies the Letter of Dispute Resolution dated March 9, 2018 as follows: On the effective date of this Agreement senior pay will increase from 5% to 5.7% for all bargaining unit members meeting the full requirements of the senior pay program. All bargaining unit member receiving 2.5% will move to 2.85% as of the effective date of this Agreement.

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.
- b. 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.

Pension Contribution Rate: 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 twenty-five 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 then-current 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 then-current 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 twenty-five 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 then-current 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 then-current 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 twenty-five 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 then-current 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 then-current 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.

Wage and Benefit Parity: 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 employer. Chugach agrees to withhold and forward voluntary contributions authorized by an 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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
Info Center Consultant I	32697	GEN
Network Analyst	27730	GEN
Network Technician III	63215	GEN
Systems Analyst	62745	GEN

ML&P (System Programmers)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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.

ML&P Engineering (Project Management)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
Utility Division Mgr. II	63183	Non-Rep.	Non-Rep

ML&P Engineering (Customer Engineering)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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 (Station Design)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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 non-represented 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 non-represented 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, 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 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.

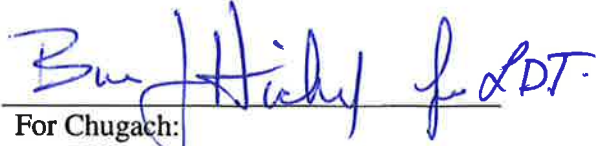
This Transition Agreement shall expire on June 30, 2025.

AGREED:



For IBEW:
David Reaves,
Business Manager

11-19-18
Date



For Chugach:
Lee Thibert,
Chief Executive Officer

11/19/18
Date

SIGNATURE PAGE

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

Chugach Electric Association, Inc.

**International Brotherhood of
Electrical Workers**



Lee Thibert
Chief Executive Officer



Dave Reaves, Business Manager
Local 1547, IBEW

12-21-18

Date

12-20-18

Date

AGREEMENT COVERING TERMS AND CONDITIONS OF
EMPLOYMENT

OUTSIDE PLANT PERSONNEL

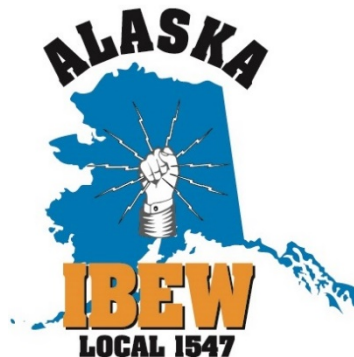
Between

CHUGACH ELECTRIC ASSOCIATION, INC.



And

LOCAL UNION 1547
INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS



Effective TBD (effective from the date of sale) through June 30, 2025

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AGREEMENT COVERING TERMS AND CONDITIONS OF EMPLOYMENT
OUTSIDE PLANT PERSONNEL
BETWEEN

CHUGACH ELECTRIC
ASSOCIATION, INC.
Anchorage, Alaska

AND

LOCAL UNION NO. 1547
INTERNATIONAL
BROTHERHOOD OF
ELECTRICAL WORKERS
AFL-CIO
Anchorage, Alaska

PREAMBLE

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 NO. 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 well-being 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 adjustment of all disputes and grievances.

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 customer. 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.

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 at 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 will specify the reasons for the termination or the nature of the changes desired. If notice to terminate or amend is given, negotiations shall commence within thirty (30) days following the date of the notice, and this Agreement shall remain in effect until the terms of a new or amended 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 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 the Employer must comply with federal, state, and local laws and regulations applicable to Employer. The Employer recognizes that Local Union No. 1547 is affiliated with the International Brotherhood of Electrical Workers.

Section 2.2 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 2.3 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 2.4 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.

Section 2.5 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 2.6 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 General Manager 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 General Manager of the Employer, or of the General Manager'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 non-working 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 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 General Manager 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 General Manager for the 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 2.6A Letter of Intent

The Employer may require the shop steward to record time spent on union business during working hours on the steward’s time card.

Section 2.7 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 2.8 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 No. 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 General Manager 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 2.3. 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 2.9 Union Bulletin Board

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 2.10 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 Manager of Employee Relations, or the Manager's 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 General Manager or the General Manager's designated representative.

Section 2.11 Loan of Employees

The Employer will not lend the services of an employee covered hereunder, or cause such services to be lent, except that to meet an emergency situation the Employer may lend employees' services to any other electrical utility.

An employee shall be considered loaned when one or more of the following criteria is met:

- (a) The employees supervision for services in question is transferred to another electric utility.
- (b) The work is performed on the premises and for the sole benefit of another electric utility.

The Union recognizes that Employer lease-operates facilities owned by other electrical utilities and that the performance of services with regard to those facilities by the Employer's personnel does not entail the loan of employees as contemplated herein.

In the event that the loan of employees becomes justified under the conditions heretofore described, the Employer will notify the Business Manager or other authorized representative of the Union as soon thereafter as practicable and in any event no later than the beginning of the next regular workday. The employees will be covered under the terms of this Agreement while on loan.

Section 2.12 Hiring Hall

All employees to perform services covered by this Agreement shall be secured through the offices of the Union, subject, however, to the following:

2.12.1

The Employer shall notify the Union of possible vacancies, which the Employer intends to fill from the applicants for employment.

2.12.2

The Union shall refer applicants for jobs, provided that the selection of applicants for referral shall be on a nondiscriminatory basis and shall not be based upon, or in any way affected by Union membership, bylaws, rules, regulations, constitutional provisions or any other aspect or observance of Union membership, policies or requirements.

2.12.3

The Employer shall have the right to reject any job applicant referred 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.

2.12.4

If the Union does not refer qualified job applicants, within three (3) working days after receipt of notice, who shall be acceptable to the Employer for filling the existing vacancies, the Employer shall be free to recruit employees from other sources.

2.12.5 Non-Discrimination

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 insure 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.

2.12.6

The term "he" wherever used in this Agreement shall also mean "she".

Section 2.13 Contracting Out – Purpose

It is understood and agreed that the function of Sections 2.13.1-4 are 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.

Section 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.

Section 2.13.2 Warranty Work

The Employer may without penalty contract out work involving the installation, troubleshooting and/or repair of equipment 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.

Section 2.13.3 Union Signatory Clause

(a) In order to preserve work traditionally performed by bargaining unit members, the Employer shall require that contractors for new construction involving any electrical work normally performed by employees covered by the Outside Agreement which is to be done at the site of construction of transmission lines, distribution lines, substations, SCADA systems, and inside wiring, become signatory to a current collective bargaining agreement with International Brotherhood of Electrical Workers Local 1547 if they are the successful bidder on a project. This requirement shall become applicable once a bid is awarded. Contractors or subcontractors need not be signatory to such agreement in order to bid on the project. Bidding is open to any contractor. In order to comply with this section, contractors not already signatory to a collective bargaining agreement with IBEW may either become signatory or they may execute an agreement with the IBEW to comply with the same terms and conditions set forth in the most current applicable agreement between IBEW Local 1547 and the Alaska Chapter National Electrical Contractors Association, Inc., which agreement is limited to the scope of the work and duration of the project. The IBEW and any successful bidder shall promptly enter into an agreement as necessary to comply with this section.

(b) This signatory provision will be interpreted and applied in good faith by both parties. The Employer shall not design a project, draw up job specifications or engage in any other practices for the purpose of intentionally taking itself outside the scope of the lawful application of the construction industry proviso in 29 USC 158(e).

(c)
(1) Work intended to maintain and operate existing facilities, or equipment at their original location, capacity and intended use (including

maintenance clearing and trimming) is maintenance and operations, not new construction, and is covered by all the above-referenced provisions except the signatory clause set forth at Section 2.13.3(a). All subcontracting of maintenance and operation work normally performed by employees covered by this Agreement shall be compensated at the current prevailing rate of wages and fringe benefits as determined from time to time by the Alaska Department of Labor pursuant to Title 36.

(2) Right-of-way clearing is exempt from the union signatory clause either when it does not constitute construction activity or when it has not normally and traditionally been performed by the bargaining unit.

(3) Contracts for construction work, including the nonelectrical alteration, painting or repair of buildings, will not be covered by the Union signatory clause when such work is not normally performed by members of the bargaining unit.

(d) It is mutually agreed that “inside wiring” shall be defined as work necessary to the installation and construction of electrical facilities within Association buildings and structures or associated electrical work on the load side of the Association’s meter subject to the National Electrical Code. It is understood that this definition will not conflict with or limit work performed by classifications covered under the Outside or Generation Agreements.

Section 2.13.4 Methods of Dispute Resolution

The parties shall not enforce Sections 2.13.1-3 of this Agreement by means of slowdown, picketing, strikes or lockouts. In order to avoid unnecessary disputes over 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 2.13.1-3. Before the Employer may award any contract for subcontract (including task order contracts and unit price contracts) or assign any work covered by Sections 2.13.1-3 (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 contacts, individual jobs issued under a unit price contract, contracts, or subcontract 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 Employee Relations Department at any reasonable time in the presence of the Manager of Employee Relations or designated representative of the Employee Relations 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 Employee Relations Department will be secured (locked) and will be accessible only to designated employees in the Employee Relations 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 Seminars, Workshops and other Meetings

The Employer recognizes the value of sending representatives to workshops or seminars which are for fostering better labor relations between the parties. In the interest of promoting better labor management relations, when the Employer determines it is beneficial to have representation from the bargaining unit attend such seminars or workshops, the Employer will pay for the associated expenses.

ARTICLE 3 APPOINTMENT AND TENURE

Section 3.1

All employees hereunder are designated as either NECA-Temporary, Probationary, Regular, or Temporary. The term NECA refers to the Inside-Outside IBEW Alaska Electrical Construction Agreement, as amended.

Section 3.1.1 NECA-Temporary Employees

Journeyman linemen and Wiremen and other classifications as set forth in the IBEW-NECA Agreement may be employed as NECA-Temps for a period not to exceed six (6) months of continuous employment. Such employees shall be subject to this Agreement as to hours of work and applicable working rules only.

In addition, NECA-Temporary employees shall receive the wage rates as set forth in the IBEW Inside-Outside Alaska Electrical Construction Agreement, as amended. The Employer shall pay for the NECA-Temp employee's account, the health and welfare benefits, retirement benefits and group legal benefits as specified in said IBEW-NECA Agreement. NECA-Temporary employees shall not accrue seniority, service credits, holiday pay, annual leave, jury duty, worker's compensation supplement or longevity. NECA-Temporary employees shall be compensated at two (2) times the appropriate straight time rate for time worked on holidays as defined in Section 4.5.

When it becomes necessary for a NECA-Temporary Journeyman lineman to assume the position of leadman, they shall receive 104% of the applicable wage rate. When a NECA-Temporary Journeyman lineman is assigned to the swing shift loop wagon, they shall receive 115% of the applicable wage rate for all hours worked while assigned to the swing shift loop wagon. When a NECA-Temporary Journeyman is assigned to the mid-shift loop wagon they shall receive 125% of the applicable wage rate for all hours worked while assigned to the mid-shift loop wagon. Assignment of a NECA-Temporary employee to a regular position shall not cause the employee to be treated as either a probationary or regular employee unless employer affirmatively indicates in writing that it is Employer's intent and desire to change the employee's status from that of a NECA-Temporary to either a probationary or regular employee.

Section 3.1.2 Probationary Employees

A probationary employee is one who has been hired by the Employer for regular employment, but who has less than ninety (90) 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, the newly hired employee may be laid off or discharged by the Employer, and such actions shall not be subject, to the provisions of Article 10 herein. All employees hired to fill a regular job shall accrue service credits and seniority during such probationary period. This time may be extended by mutual agreement between Management and Union.

Probationary period for newly hired Relay/Control Wiring Technicians, Substation Technicians, Substation Lineman and Substation Lineman trainee is six (6) months and during this period of probationary employment, these employees may be laid off or discharged by the Employer and such actions shall not be subject to the provisions of Article 10 herein.

The rights of regular employees who bid to a different position and who do not successfully complete the probationary period in the bid position shall be as specified elsewhere in this Agreement.

Section 3.1.3 Regular Employees

A regular employee is one who has been designated by the Employer in writing as being a regular employee and who has served the Employer continuously for ninety (90) days subject to any exceptions related to the probationary period as provided for in this agreement.

Section 3.1.4 Transfer of Temporary Employees to Probationary or Regular Status

Any employee hired as a NECA-Temporary or Temporary may be awarded or transferred to Probationary or Regular status by the Employer. Any such change in status will be in writing. If the employee, on the date of accepting the award or transfer, has not been employed for ninety (90) days, the employee will be transferred to probationary status and the time accrued from the employee's temporary hire date will be considered part of the probationary time period.

Section 3.1.5 Temporary Employees

A temporary employee is an individual employed in a non-journeyman position to meet occasional workload or an employee's absence from a position for cross training, disability or leave. This individual may be employed for a period not to exceed nine months. This nine month limit may be extended by mutual consent of the Union and the Employer.

The intent of this section is not to reduce the number of regular positions by the hiring of temporary employees.

Temporary employees will be subject to this Agreement only as to hours of work, rates of pay, holiday pay, annual leave, health and welfare benefits, pension, and applicable working rules.

Such employees dispatched on a short call (14 calendar days or less) shall not be eligible for floating holidays or birthday holidays.

Section 3.2 Service Credit and Seniority

3.2.1 Service Credit

For the purpose of this Agreement service credit is the actual amount of time for which a probationary or regular employee receives compensation for full-time employment with the Employer, to which is added the actual time the employee is on authorized leave without pay, except as provided in Section 2.7 herein.

3.2.2 Seniority

Except as provided in Section 3.3.1, 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 lowest dispatch number 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 3.3 Termination of Seniority

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

3.3.1

When a regular employee is laid off, except that if that employee is re-employed as a regular employee and his service break is twelve (12) months or less, seniority will accrue uninterrupted to original date of hire.

3.3.2.

When the employee resigns.

3.3.3

When the employee is discharged for just cause.

Section 3.4 Vacancies

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

3.4.1 Job Posting

Any job or position covered by this Agreement which has been vacated and is to be filled, or any job that is being created, shall be posted. Posting shall state details and qualifications applicable to the job or positions. The Employer will re-post Vacancy Positions in-house every twelve (12) 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.

3.4.2 Job Bidding

For the purpose of providing every regular employee covered by this Agreement with an opportunity to bid on posted vacancies, the Employer will make a reasonable effort to notify all such employees, including those on annual leave, of posted vacancies provided that the employee on annual leave has left an address or phone number where the employee can be contacted and further provided that the employee has previously notified the Manager of Employee Relations, the employee's supervisor or the Shop Steward in writing that the employee desires to be notified of any posted vacancies. Any regular employee covered by this Agreement, may, within five (5) working days from the date of job posting, present in writing (or verbally if out of town) to the Employer Relations Department, the employee's immediate supervisor or the shop steward, the employee's request to bid. Such request will include all data required by the posting.

Except as provided in 3.4.3, temporary positions or reassignments are not biddable but may be posted so that employees may indicate their interest for consideration. Regular employees may be assigned to temporary jobs for cross-training provided the employee signifies an interest in that particular assignment. Periods of such reassignment may be up to sixty (60) calendar days. The 60-day limit may be exceeded by mutual consent of the Union and the Employer. Temporary promotions shall be on a twenty-four (24) hour basis.

Unless mutually agreed, employees are limited to one successful bid during any twelve (12) month period. This restriction will not prevent an employee from bidding a promotional opportunity except that employees awarded a Kenai Peninsula operations position will work in this position a minimum of twelve (12) months and will not bid on any other position during this time. The bidding restrictions in this section do not affect bidding opportunities to bid as set forth in 3.4.3.

3.4.3

Certain temporary positions which are highly desirable because of the potential they provide for overtime or increased wage rates may be subject to the bid procedure. Any regular employee who successfully bids on such temporary job will, upon completion of said job, return to work as assigned by Employer and not

to a biddable position which he may have held prior to his successful bid for the above-mentioned temporary position.

3.4.4 Job Award

Within five (5) calendar days after the closing date of the bids, the bid will be considered and the job awarded. Bid pay to start at the time of the bid award providing the employee is available to assume the position on that date and shall continue until bid position is canceled. (Positions covered by 3.4.3 are not included).

All bids will first be reviewed for validity of qualifications by a Bid Committee, composed of two (2) representatives from the bargaining unit selected by the Shop Steward and two (2) from the Employer selected by the Employer. All qualified bids will then be considered by the Bid Committee without discrimination of any kind to determine who is most qualified to perform the work.

The Bid Committee must consider the following factors equally: ability to meet the posted qualifications, merit, fitness and 3 years past performance. The Bid Committee may require written, oral and demonstrative evaluation of qualifications. These evaluations will be mutually agreed by the Bid Committee and will be based upon the appropriate position description. In addition, the Bid Committee may request interviews with bidder(s) and/or managers. Where bidders are equal in qualifications, seniority shall prevail.

Within three (3) working days the Executive Manager or designee will, in the absence of overriding circumstances, accept the recommendations of the Bid Committee. If the Executive Manager or designee does not accept the recommendation of the Bid Committee, he or she shall inform the Bid Committee of the reasons in writing. In the event of a tie Bid Committee the Bid Committee will reconvene with the Executive Manager or his designee as a voting member of the committee. Neither the Executive Manager nor his designee will have been a member of the original Bid Committee. The Bid Committee will reconvene, re-evaluate the bidders and render a decision. Should an employee believe that they are passed over without justification the employee may file a grievance and follow the procedures in Article X.

Regular employees awarded a bid to a higher classification (except jobs under 3.4.3) will undergo up to a sixty (60) day probationary period. Any employee who successfully bids and fails the probationary period shall return to a position

assigned by the Employer within the classifications listed in Article 3 Section 3.5.2 in which the employee occupied prior to the failed bid.

A bid form will be available so that when a person bids a job, the employee may clearly indicate the employee's qualifications in terms of the qualifications required.

3.4.5 Assigned Positions

Classifications covered by this Agreement, which are assigned positions, shall be posted on the Operations bulletin board so that employees may indicate their interest for consideration as openings occur.

Section 3.5 Reduction-in-Force

This section shall not be used from the effective date of the Transition Agreement through June 30, 2025.

3.5.1

When a reduction-in-force for regular employees is necessary, company seniority by job classification as described below shall prevail regarding such layoffs. Classifications are as follows:

- (a) Any position requiring journeyman lineman as a prerequisite;
- (b) Control Wiring/Relay Technicians;
- (c) Warehouse Department;
- (d) Mechanics;
- (e) Meter Readers;
- (f) Construction and Maintenance;
- (g) Utility Arborist;
- (h) Substation Technicians

When a reduction-in-force for NECA-Temporary employees is necessary, layoffs will be in reverse book order and reverse layoff within book according to hire date. Apprentices will be characterized as NECA-Temporary employees for all purposes

except lay-off. As long as the number of apprentices is within the ratios listed in Section 6.1, the Employer may lay-off NECA-Temporary employees before apprentices.

In the event new classifications are created, the Union and the Employer will develop a letter of understanding to cover reduction-in-force.

Section 3.5.2 Recall Rights

This section shall take precedence after section 3.4 has been exhausted, and prior to section 2.12.

Any regular employee who laid off due to a reduction-in-force in section 3.5.1 will be given preference in the filling of any subsequent job vacancies with the Employer for a period of two (2) year, provided that the employee is qualified for a vacant position. The Bid Committee will determine if an employee meets the qualifications required to exercise this preferential right.

Recall shall be based upon bargaining unit seniority. If an employee is found qualified for a position not previously held, the employee will be subject to the customary probationary period defined in Section 3.1.2 of this Agreement.

ARTICLE 4 ANNUAL 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 Executive Manager, 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 will be shown on each paycheck.

1) 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 voluntary separation of employment occurs, a bargaining unit member who has cashed out up to 640 hours or the bargaining unit member's personal cap in that year can also cash out remainder of their leave up to 640 hours or the bargaining unit member's personal cap upon separation.

2) Employees may not retire directly from leave.

3) 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

Annual leave will be scheduled in advance as follows:

4.2.1

Annual leave which has been requested on or before March 1 for the following twelve (12) months, or as agreed between the parties hereto, will be approved or disapproved, dependent upon the manpower requirements of the Employer. All annual leave will be approved pursuant to consideration of seniority. Approved annual leave shall be granted at the time scheduled. Written approval or disapproval of said leave shall be made within ten (10) days after March 1. Requests which have been disapproved will be granted as soon thereafter as practicable or as agreed by the Union and Employer. Both the Union and the Employer agree that both parties shall take all reasonable action to accommodate for the employee's absence.

4.2.2

When an employee requests extended leave to travel outside of Alaska and so notifies the Employer prior to March 1 and has been scheduled pursuant to consideration of seniority, the employee may take up to sixty (60) days of accrued annual leave and it shall be granted at the time scheduled.

4.2.3 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 4.3. 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.

4.2.3.1 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 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 the employee's spouse: child (including foster child and step-child), spouse, sister, brother, parents (including foster parents and step-parents), and grandparents.

4.2.4

Annual leave for a period of over seven (7) days, if requested after March 1, will be requested at least ten (10) days prior to the commencement thereof. Written approval or disapproval of said leave shall be made within five (5) days after request has been received. Annual leave for a period of seven (7) days or less will be requested at least three (3) days prior to commencement thereof. Written approval of said leave shall be made within two (2) days after request has been received. Such annual leave will be granted if, in the opinion of the Employer, its operation will permit. Otherwise, such requests will be granted as soon thereafter as practicable. Annual leave will be granted in units of less than four (4) hours if approved by the Employer.

Section 4.3 Leave Without Pay

4.3.1 Use of Leave Without Pay

- (a) Approved Leave Without Pay, (Incremental) 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) Approved Leave Without Pay - 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) 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.

4.3.2 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 4.4 Sick or Disability Leave

4.4.1 Sick or Disability Leave

When illness or 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 (1) and two (2) years caps on leave without pay noted above shall be calculated on a cumulative basis using a rolling five (5) year period.

4.4.2 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.

4.4.3 Substance Abuse Treatment Opportunity

Employees suffering from alcoholism or drug abuse will receive the same consideration that is extended to employees having any other illness.

4.4.4 Employee Responsibility – Treatment

It shall be the employee's duty to seek treatment for alcoholism or drug abuse. In no case shall job security or promotional opportunity be jeopardized by seeking treatment for such an ailment or condition. However, if two (2) alcohol or drug abuse related occurrences occur within a twelve (12) month consecutive period, 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. It is not intended to give employees who have not admitted they have a problem, or sought treatment, the right to abuse alcohol or other substances before they can be disciplined.

4.4.5 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.

4.4.6

Pension Contributions on Worker's Compensation Pay

Pension Contributions shall be made on a regular employee's behalf up to a maximum of forty (40) hours of compensation per week for each week the employee receives supplemental payments in addition to workers compensation pursuant to Section 4.8, with contributions capped at maximum of twenty-six weeks.

Section 4.5 Holidays

The days listed below will be recognized as paid holidays:

New Year's Day	(January 1)
Memorial Day	(Last Monday in May)
Independence Day	(July 4)
Labor Day	(First Monday in September)
Thanksgiving Day	(Fourth Thursday in November)
Friday After Thanksgiving	
Christmas Eve	(December 24)
Christmas Day	(December 25)
New Year's Eve	(December 31)
Three Floating Holidays	

4.5.1

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.

4.5.2

In consideration of this Agreement, 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.

In consideration of the Tuesday through Saturday shift the following will apply:

When a recognized holiday falls on a Monday, it will be observed on the following Tuesday; when a recognized holiday falls on a Sunday, it will be observed on the preceding Saturday. If Christmas or New Year's falls on Sunday, 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 Monday, it will be observed on the preceding Saturday.

In consideration of the Sunday through Thursday shift, the following will apply:

When a recognized holiday falls on a Saturday, it will be observed on the following Sunday; when a recognized holiday falls on a Friday, it will be observed on the preceding Thursday. If Christmas or New Year's falls on Friday, it will be observed on Thursday, and Christmas Eve or New Year's Eve will be observed on Wednesday. When Christmas Eve or New Year's Eve falls on a Saturday, it will be observed on the preceding Thursday.

4.5.3

The floating holidays 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 Day (third Monday in January) will be allowed to do so provided Employer can maintain essential operations.

Section 4.6 Jury Duty

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.

Section 4.7 Voting Time

An employee desiring to vote in a federal, state, or municipal election may do so, provided the employee is eligible to vote in that 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 schedule workday will be given one (1) full hour. Absence from work for voting time shall be charged against annual leave.

Section 4.8 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.

4.8.1 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 4.9 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.

In the event state or federal law does not require that an employee who becomes the parent of either a new-born or adopted child receive at least eight weeks of leave, the following provision shall become a part of the collective bargaining agreements with the Outside, Generation, and Office and Engineering bargaining units:

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 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. Whenever possible, parent leave shall be requested at least ninety (90) days in advance.

Section 4.10 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 4.11 Blood Bank

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 4.12 Employee 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.

**ARTICLE 5
HOURS OF WORK AND COMPENSATION**

Section 5.1 Workday and Workweek

The normal work day and work week shall consist of five (5) consecutive eight (8) hour days, 8:00 a.m. to 4:30 p.m., Monday through Friday.

5.1.1

Employees shall be allowed sufficient opportunity before quitting time to put away tools and equipment. Only actual time required shall be taken for this purpose.

5.1.2 Meal Breaks and Rest Breaks

5.1.2.1

All employees shall be granted an unpaid meal period of at least thirty (30) minutes in duration. The meal period shall begin not more than ½ hour prior to the midpoint

of the shift nor more than 1 hour following the midpoint of the shift. The Employer may determine when the meal period will occur within this time frame. A crew may choose to take an unpaid meal period of one hour; however, the end of the normal workday shall be extended by one-half ($\frac{1}{2}$) hour.

If work continues beyond one hour past the midpoint of the shift without starting the lunch break, it shall be at double the straight time rate until relieved for the normal $\frac{1}{2}$ hour lunch period up to a maximum of three (3) hours at double the straight time rate. When the delayed lunch period is taken it shall be on the Employer's time at the straight time rate. It is intended that the employees will take the lunch period as close as practical to their scheduled meal period, so long as the work required to restore outages, to resolve emergencies, or to make hazardous conditions safe has been completed.

If the employee is unable to eat before the end of the employee's regular scheduled shift, the employee shall be provided $\frac{1}{2}$ hour at the straight time rate to eat a meal.

5.1.2.2

When employees are reasonably close to their starting location or where a lunch is available, such as a restaurant, at the lunch time the Employer will allow the use of Employer's vehicle to travel to and from lunch provided employees travel on their own time.

5.1.2.3

In the event the work location is such that a hot lunch and sanitary conditions are not reasonably available, the lunch period shall be considered as time worked and the employee paid at the applicable overtime rate.

5.1.2.6

Employees working a straight (8) hour shift with no lunchtime provision will eat on company time. The meal period shall begin not more than $\frac{1}{2}$ hour prior to the midpoint of the shift nor more than 1 hour following the midpoint of the shift. The Employer may determine when the meal period will occur within this time frame.

If work continues beyond one hour past the midpoint of the shift without starting the lunch break, it shall be at double the straight time rate until relieved for the normal $\frac{1}{2}$ hour lunch period up to a maximum of three (3) hours at double the straight time rate. When the delayed lunch period is taken it shall be on the

Employer's time at the straight time rate. It is intended that the employees will take the lunch period as close as practical to their scheduled meal period, so long as the work required to restore outages, to resolve emergencies, or to make hazardous conditions safe has been completed.

If the employee is unable to eat before the end of the employee's regular scheduled shift, the employee shall be provided ½ hour at the straight time rate to eat a meal.

5.1.2.7

When an employee is required to work two (2) hours or more immediately following his regularly scheduled shift, or four (4) hours or more after a call-out, he shall be furnished a meal by the Employer on the Employer's time at the straight time rate and every four (4) hours thereafter until relieved. Eating shall be accomplished as quickly as reasonably possible not exceeding one (1) hour if returning to work after eating. One-half (1/2) hour shall be permitted also at straight time if the employee eats after he has finished work, but the employee shall be permitted to elect to take in lieu of the meal furnished by the Employer \$20.00 and one-half hour at the double time rate. A \$30.00 (includes gratuity) ceiling is established for meals that are eaten. In the interest of safety or to minimize the duration of an outage, the Employer may require an employee to delay no more than one meal period.

5.1.2.8

If a call-out has caused an employee to miss breakfast at home, the Employer will provide this meal and time to eat it, not to exceed one-half (1/2) hour.

5.1.2.9

Entitlement to meal money will be noted on the time card and certified by the appropriate supervisors and will be paid concurrently with the wages for the same day.

5.1.2.10

Where the working situation permits the employee may take a break of at least fifteen (15) minutes duration during the first and second halves of each shift.

5.1.3 Workday, Workweek, Flexible Workday, Optional Workweek

The definitions of workday, workweek, flexible workday, and optional workweek are provided within this Agreement. The Union and the Employer may modify workdays, workweeks, or optional workweeks by mutual agreement except as provided in Section 5.1.3.8. The Employer shall give full consideration to an

employee's child care needs when making assignments to alternate work schedules.

5.1.3.1 Swing Shift

A second or swing shift consisting of eight (8) hours may be established. Normally the running of service drops will be limited to daylight hours. When running of services after dark, the residents of the immediate area will be notified prior to the employees beginning such work. When a Journeyman Lineman is assigned to the swing shift loop wagon, they shall receive 115% of the applicable wage rate for all hours worked while assigned to the swing shift loop wagon.

The workday will be from 4:00 p.m. to 12 midnight unless otherwise mutually agreed.

5.1.3.2 Mid-Shift

A third or mid-shift consisting of eight (8) hours may be established.

The workday will be from 12 midnight to 8:00 a.m. unless otherwise mutually agreed. When a Journeyman Lineman is assigned to the mid-shift loop wagon, they shall receive 125% of the applicable wage rate for all hours worked while assigned to the mid-shift loop wagon. A Leadman will also receive pay at the Foreman rate.

5.1.3.3 Night Shop Mechanic

For a night shop mechanic, as defined in Section 11.1.14 herein, a normal workday will begin at 4:00 p.m. and end at 12 midnight, Monday through Friday.

5.1.3.4 Tuesday-Saturday and Sunday-Thursday Loop-Wagon

In an effort to provide on-duty coverage for a seven (7) day per week operation, the Employer may establish an optional workweek for a loop wagon of Tuesday through Saturday and/or Sunday through Thursday between the hours of 8:00 a.m. through 4:30 p.m. Employees working these shifts will be compensated at the appropriate straight time wage rates for those hours. However, straight time hours worked Saturday by the Tuesday through Saturday loop wagon will be compensated at 125% of the appropriate wage rate. Straight time hours worked on Sunday by the Sunday through Thursday loop wagon will be compensated at 135% of the appropriate wage rate. This compensation is provided by the Employer to the employee as an incentive to minimize the scheduling of single

days of annual leave on Saturdays and Sundays. The Employer and these employees will work to minimize disruption caused by scheduling annual leave on Saturdays and Sundays. Annual leave taken or overtime pay for Saturdays will not be compensated at the 125% rate. Annual leave and overtime on Sundays will not be compensated at the 135% rate.

Assignment to these optional loop wagon workweeks will be by bid provided that if no qualified bids are received, the Employer may assign employees on the basis of reverse seniority order.

5.1.3.6 Construction and Maintenance Classifications

The Employer may establish a swing shift for the construction and maintenance classification employees, provided 48-hour notice is given. The swing shift may be 4:00 p.m. to 12:00 midnight, Monday through Friday. Any change in shifts shall require a 48-hour notice, thereby requiring each shift scheduled to be not less than two (2) days in duration. This optional shift is to provide flexibility for the construction and maintenance classification employees.

5.1.3.7 Night Warehouseman

For a night warehouseman as defined in Section 11.1.16 herein, the normal workday will be from 3:30 p.m. to 11:30 p.m. unless mutually agreed otherwise.

5.1.3.8 Flexible Workday

For all recognized shifts within this Agreement, the Employer may change the start time by up to one hour before or after the regular start time. The Employer shall notify the employee(s) by the end of the shift plus one work day before the required start time (e.g., notice by 4:30 p.m. Tuesday for work on Thursday). Employees working under this provision shall attend Safety Training sessions in accordance with Article 8.4.

5.1.3.9 Evening Warehouseman

For an evening warehouseman as defined in Section 11.1.16 herein, the normal workday will be from 1:00 p.m. to 9:00 p.m. unless mutually agreed otherwise.

Section 5.2 Compensation

5.2.1 Regular

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.

5.2.2 Overtime

All work performed in excess of eight (8) hours during the first five (5) days of the employee's workweek and all work performed on the sixth (6th) and seventh (7th) days of the employee's workweek will be compensated at double the applicable straight time rate.

5.2.3 Holiday Compensation

When an employee is required to work on a paid holiday listed in Section 4.5 hereof, subject to the condition therein stated, he will be paid the appropriate straight time rate for the eight (8) hours of the holiday and, in addition, he will receive double the appropriate, straight time rate for all of the time worked during the holiday. An employee on leave without pay on the day before or after a holiday will not be eligible for holiday pay.

5.2.4 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 (30) days.

5.2.5 Call-Out Pay

An employee who is required to return to work outside his regular hours of duty will be paid a minimum of two (2) hours at the applicable overtime rate, or holiday rate, whichever is appropriate.

In the event an employee accepts a call-out, he shall be considered working and receive the appropriate wage rate for all hours from the time the call is accepted until return to show-up, as herein defined.

Any employee accepting a call-out must be available to immediately respond and make every effort to report to the employee's appropriate show-up as soon as possible.

5.2.6 Call-In Pay

If an employee is instructed by his supervisor to report for scheduled work on a day such employee would not normally be on duty, or on a holiday, and such work is subsequently cancelled, the employee will be paid a minimum of two (2) hours at the applicable overtime rate, or at the holiday rate.

5.2.7 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 he shall have the option of receiving \$150.00 per diem in lieu of the Employer furnished meals and lodging for all days which he may be required by the Employer to remain away from home.

5.2.8 Relief

An employee who has been on duty for four (4) or more hours outside of his normal shift shall not be required to report for work the following scheduled workday until he has had a minimum of ten (10) hours of relief. An employee who has been on duty for two (2) to four (4) hours beyond midnight shall not be required to report for work the following scheduled workday until he has had a minimum of eight (8) hours of relief. The employee shall be paid at his applicable rate for those scheduled hours included in his 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 double the straight time rate until he is relieved. In the interest of safety, the Employer may determine when an employee is required to rest.

5.2.9 Notice for Out of Town Work

When an employee is required to be out of town on scheduled work, the employee will be notified two (2) working days in advance and the work period will be for a minimum of ten (10) hours a day. If the employee does not receive two (2) days notice, the employee shall be considered working and receive the appropriate wage rate for all hours from show up to show up as defined in Section 11.12.

In the event of unexpected absence of an employee previously scheduled to work out of town, a voluntary replacement may substitute and be given a reasonable amount of time to pack personal items. Hours and compensation will be on same basis as employee given two (2) days' notice.

Section 5.3 Compensation of Employee Working in Higher Classification

When an employee is temporarily required to perform work in another classification for more than thirty (30) minutes in the morning before lunch, the employee shall be paid the higher rate that either classification calls for under the contract for a period not less than two (2) hours. If an employee performs such work in the afternoon for more than thirty (30) minutes, he shall be paid at the higher rate for not less than two (2) hours.

5.3.1

When a swing shift Loop Wagon leadman assumes the position of temporary foreman, he will receive pay as a foreman. When a swing shift or midshift Loop Wagon driver assumes the position of temporary foreman, he will receive pay of a foreman.

Section 5.4 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. If an employee voluntarily bids into a lower pay classification, the employee will be paid at the lower pay rate.

Section 5.5 Air Travel

Employer guarantees that, in the event an employee subject to this Agreement dies from injuries suffered as result of being required to travel by air at the direction of Employer, or in the discharge of duties to Employer, the total sum of \$500,000

will be paid to the employee's beneficiary, or beneficiaries, as designated by the employee.

5.5.1 No Flying Roster

An employee subject to this Agreement who does not wish to be assigned to work of the Employer requiring travel by aircraft will signify that wish by signing a "No Flying Roster" to be maintained by the Employer. The employees whose names appear on the "No Flying Roster" will not be assigned to work of the Employer requiring travel by aircraft. Two flying rosters will be maintained, one fixed wing; the other rotary (helicopters) and any employee will be allowed to change status once annually.

5.5.2 Aircraft

All personnel flights authorized by the Employer will be in twin-engine fixed wing aircraft. When helicopters are utilized, they will be float equipped.

Section 5.6 Pay Period and Payday

The Employer shall establish a payroll system providing for the payment every Thursday for the one (1) week pay period ending Wednesday the previous week. If a Thursday payday falls on a day recognized as a paid holiday by Employer, the last workday preceding will be payday. Employees subject hereto will be paid on or before the completion of their scheduled workday.

5.6.1 Wage Discrepancies

The following procedures will govern the compensation due an employee when a time sheet has been completed and approved by the employee's supervisor. Wages will be paid consistent with the time sheet and, in the event of a discrepancy, wages will be paid on the next check and discrepancies will be handled through the shop steward, employee, and supervisors involved. Journeyman having time made out by foreman will approve each daily time sheet.

Section 5.7 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 5.8 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 5.9 Longevity

Those employees listed in Appendix A hereof will receive additional compensation at the rate of one percent (1%) per year, not to exceed ten (10) years of continuous employment with the Employer, to be computed as follows: On the first (1st) of the month following the completion of each continuous year of employment, the rate of compensation of the employee concerned will be increased by his accumulated percentage (up to ten percent (10%) of his current wage rate). Base rate equals wage rate plus longevity. Employees hired after March 9, 1987 shall not receive longevity.

Section 5.10 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 5.11 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.

Section 5.12 Hot-Stick Work

Premium pay for hot-stick work will be allowed to crews while working with such equipment on voltages in excess of 5,000 volts. Hot-stick work will not include the opening and closing of switches, the removal and replacement of fuses, or the lifting and replacing of hot-taps when hot-line clamps are used. Hot-stick compensation will be at fifteen percent (15%) above the applicable hourly rate.

Section 5.13 High Work

All linemen employed on work 70 feet above the ground, or higher, shall be eligible for high time for all the time they are above 70 feet. High time is defined as one

(1) hour straight time above the applicable hourly rate of pay. A minimum of two (2) hours high time shall be paid to any employee who qualifies for such consideration. No high time shall be paid for any such work which is performed less than 70 feet above the ground.

Section 5.14 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. The Employer is responsible to provide any training and fees associated with such Certificates, permits and licenses. A typical example is the Commercial Driver's License or Certificate of Fitness. If any change in State regulations requires additional licensing of existing personnel to perform required duties within their classification, all affected personnel will have a reasonable time to comply with this requirement. 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.

ARTICLE 6 APPRENTICES

Section 6.0

Employer agrees to abide by the Bureau of Apprenticeship Training approved Training Standards for apprentices.

Section 6.1 Apprentices

An apprentice is an employee who is being trained to qualify as a journeyman in one of the electrical workers trades covered by this Agreement and who has been properly indentured by the Alaska Joint Electrical Apprenticeship Trust (AJEATT). All apprenticeship training will conform to the AJEATT Standards. In recognition of the nature of such apprenticeship employment, the Employer agrees that:

6.1.1 Ratios

The ratio of apprentice to journeyman will not be greater than the following:

Two Man Crew – One Journeyman and One Apprentice

Street lighting including street light head and mast installation, repair, replacement and re-lamping. Substation inspections and fire crew work may be performed by

one (1) journeyman and one (1) apprentice or two (2) journeymen and one (1) apprentice; however, high voltage switching must be done by at least two (2) journeymen or other qualified employees. When working on secondary voltages of 400 volts or more there must be a minimum of one (1) journeyman and one (1) hot apprentice.

Three Man Crew – Two Journeymen and One Apprentice

Two (2) journeymen and one (1) apprentice] may install new small underground distribution line extension construction. When one (1) journeyman is absent for a day, the remaining journeyman and apprentice may continue to install underground secondaries.

Substation Work

In cases where there are usually three (3) journeymen, one can be an apprentice. For all other substation work, the ratio shall be three journeymen to one apprentice. When one of the three (3) journeymen is absent for a day or less the remaining journeymen and apprentice can continue to perform the work of the three (3) man crew provided it can be done safely with fewer than three (3) journeymen.

Four or Five Man Crew

The crew structure shall consist of three (3) journeymen and one (1) hot apprentice or four (4) journeymen and one (1) hot or cold apprentice. The above crew structures can perform all aspects of Transmission and Distribution Construction and Maintenance.

Transformer/PCB Shop

The transformer shop is generally staffed with two (2) journeymen. When an apprentice is assigned to the transformer shop for a training opportunity and one (1) journeyman is absent for a day, the remaining journeyman and apprentice may continue to work provided the work is confined to the shop for a cold apprentice.

Section 6.2 Duties of Apprentice Lineman

The following rules concerning apprentice lineman's duties have been adopted by the Alaska Electrical Joint Apprenticeship Training Trust:

6.2.1

During the first year, or 2,000 hours, the apprentice should be restricted to work on the ground only. The employee will become familiar with the nomenclature of tools and materials and the use of various tools. The employee will actually work with tools under the supervision of a journeyman on such work as making up guys, fitting cross-arms, pulling anchor guys, installing ground rods, tamping poles and anchors, etc. During this period the employee will be instructed in the proper techniques of handling wire and other materials that require special handling.

6.2.2

During the second year, or second 2,000 hour period, the employee will commence learning to climb and will do all phases of line work which do not take the employee into proximity of the voltages above 480 volts. The employee will work closely with and under the direct supervision of a journeyman, and the employee will be encouraged to learn by doing.

6.2.3

During the third year and fourth years of apprenticeship, the employee should do all phases of line work. During this period of apprenticeship the employee should learn to work with hot-sticks and learn to work on other circuits that are energized with rubber gloves. The employee should learn to properly apply rubber goods on the structures and wire on which the employee is working.

6.2.4

During the employee's entire apprenticeship, the employee should take advantage of every possible opportunity to learn how to operate equipment, such as excavators, dozers, bucket trucks, boom trucks, winches, etc. The only limitations shall be that under no circumstances shall the employee be used to operate equipment unless there is a journeyman available and present who can also operate the aforementioned equipment. In addition, only during the third or fourth year of apprenticeship shall the employee operate equipment used in work performed in the primary zone of line work.

Section 6.3

The wage and benefit rates for apprentice positions shall be consistent with those established in the Inside/Outside NECA IBEW Alaska Electrical Construction Agreement, as amended.

Section 6.4 Apprentice Contributions

The Employer agrees to contribute \$.40 per compensable hour for each employee to provide improvement programs and apprenticeship training; \$.20 of the

designated \$.40 per compensable hour shall be deducted from all classifications of employees base rate within this Agreement. Contributions shall be remitted monthly to the Alaska Electrical Apprenticeship and Training Trust Fund. Either party may at any time, with seven days written notification to the other party, cancel that portion of the contribution designated.

ARTICLE 7 ORGANIZATIONAL OF THE EMPLOYER

Section 7.1 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 (10) working days upon request.

Section 7.2 Delegation of Authority

Delegation of authority shall be from an appropriate company representative, including supervisors, to a foreman, senior technician, senior meter reader, senior shop mechanic or leadman who, in turn, will instruct journeyman, operators, apprentices, or other employees, as assigned.

Section 7.3 Personnel Evaluations Reports

Once each calendar year all employees covered by this Agreement may be evaluated for standards of performance by his immediate management supervisor. The immediate management supervisor will discuss the evaluation with the employee privately, and the employee may comment on the personnel evaluation report. The complete evaluation, along with any employee comments, shall be included in the employee's official personnel file.

ARTICLE 8 SAFETY

Section 8.1 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 8.2 Dangerous or Hazardous Work

In the interest of safety, two (2) journeyman, or a journeyman and third year apprentice, will work together on all circuits energized at 400 volts or higher. The foreman will decide, after due consultation with the employees concerned, whether weather or other conditions permit the performance of hazardous or dangerous work. All voltages in excess of 5,000 will be deemed dangerous and hazardous and will be worked only with hot sticks. All voltages between 400 and 5,000 will be worked with rubber gloves or hot-sticks, or with both such gloves and hot-sticks.

8.2.1

All work performed inside energized substations and switchyards shall be done by journeyman substation lineman, substation technicians, journeyman lineman, electronics technicians, journeyman wiremen, journeyman metermen, construction, maintenance men, mechanics and apprentices. Nothing herein precludes management personnel from being in substations issuing instructions or performing design and as-built work in accordance with the "Letter of Understanding between CEA and IBEW Concerning Relay/Control Wiring Technician, Substation Technician and Substation Lineman Classifications," so long as such design and as-built work does not involve the use of hand tools. If after due consideration, work performed by other crafts, or design engineers inside or in the vicinity of switchyards and substations, is deemed by the Employer to require a safety watch, a qualified substation lineman, substation technician, or journeyman lineman shall be assigned as a safety watch.

Section 8.3 Helicopters

No employee subject hereto will be required to work under a hovering helicopter. The Employer agrees to honor any state safety rules covering helicopters. In addition, the ground crew will be furnished a radio with the helicopter's frequency while working with helicopters. No equipment shall ride in the passenger area when passengers are present.

Section 8.4 Safety Training

The Employer will schedule, and employees subject hereto will attend and participate during normal working hours in safety training meetings on the following schedule:

One-half hour safety meeting on each Monday (or the first working day thereafter).

One hour safety training meeting on the third working Monday of each month. This one hour meeting shall be immediately following and in addition to the one-half hour safety meeting referenced above.

The Employer shall provide the applicable training required to secure and maintain a state approved first aid and CPR certificate.

A total of four (4) hours annually of pole top rescue training for all classifications required to perform aerial work will be conducted each calendar year.

Employer may exclude meter readers from attendance at such safety meetings, except that such employees shall attend a minimum of four (4) safety meetings during a calendar year.

Management and Employee Committee members or their representatives will participate in these safety meetings.

Employees due at the meetings shall not be excused if normally due at work. Outages and emergency situations shall be taken care of immediately, if possible. Safety meetings missed due to outages or emergency situations shall be made up, if possible, within the month that it was scheduled.

A Safety Committee consisting of two (2) employees subject hereto and two (2) representatives of the Employer shall meet at least one (1) time a month for the purpose of reviewing the progress of safety training and making such changes in the program as the facts may require. At the final monthly meetings in each calendar year, the Safety Committee will adopt a safety training program for the calendar year next following. Training which is required by regulation shall be evaluated for inclusion by the Safety Committee based on its applicability to safety. Union will provide for the selection of employee representatives for the Safety Committee, including filling vacancies thereon. It will be the mutual concern of the parties hereto that, recognizing their common objective of promoting the safety of employees and the public, reasonable and rational safety programs and practices will be initiated and diligently implemented.

Any rolling stock may be red-tagged if at least one (1) management representative and one (1) union representative in the Outside Unit agree that the equipment under their jurisdiction requires repair prior to use.

Section 8.5 First Aid Certificates

All employees performing the duties of foreman, leadman or senior classifications covered hereby will possess a current Red Cross First Aid Certificate and a current CPR Certificate or a State of Alaska approved equal.

Section 8.6 Physical Examination

Prior to starting work in a classification covered hereunder, all applicants, following the notice of hire, may be required to have a complete medical examination. The Employer requires that such medical examination be made by a properly licensed medical doctor. This doctor will be chosen by the Employer and such examination will be at the Employer's expense. Following notice of hire the Employer shall make every effort to schedule pre-employment physicals as soon as possible.

Individuals who are hired by the Employer for a position with a federal or state requirement to have a Commercial Driver's License ("CDL") will be required to report to the clinic chosen by the Employer for a pre-employment drug test immediately upon notification of hire. The pre-employment drug test will be done in accordance with the standards set by the Department of Transportation. The pre-employment physical for individuals with a CDL requirement may not be performed until the Employer receives notification that the pre-employment drug test was negative. Individuals who refuse to report immediately for the pre-employment drug test will be rejected. The Employer shall notify the Union of any such refusal to test.

Section 8.7 Emergency and First Aid Equipment

The Employer will furnish such safety devices and equipment as may be reasonably necessary to the safety of employees hereunder, and such first aid equipment and supplies as may be reasonably necessary for proper emergency treatment of such employees. All reasonably necessary protective equipment for employees working on energized facilities, including hard hats, gloves, and rubber boots, will be furnished and properly maintained by the Employer. Employees hereunder will use safety equipment on all appropriate occasions.

Section 8.8 Heated Man-Hauls

Heated man-hauls will be provided at all times whenever possible.

Section 8.9 Oversized Items

Unloading of large and bulky items at International requiring equipment other than a forklift will be supervised by a journeyman lineman.

Large and bulky items referenced above are defined as equipment and materials related to work covered under this Agreement. Except for the loading and unloading of wood and steel poles, substation class power transformers, breakers and structures requiring the use of cranes and special rigging, qualified and trained warehousemen may utilize boom trucks of 12 tons or less rating, without special rigging that is appropriate for handling materials moving into and out of Chugach's warehouse complex.

Section 8.10 For Cause 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.

"For-Cause" drug or alcohol testing will be applicable to all employees covered by this Agreement.

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.

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.

The testing shall be done by a qualified Laboratory (the Laboratory) designated by Employer.

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.

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 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 for laboratory testing without the presence of a Union representative.

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.

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 testing procedure contained herein shall be used.

It will be the responsibility of the employee to notify the Laboratory of any prescription or non-prescription medication the employee is taking.

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.

Third party reports of drug use or aberrant behavior which are not confirmed by Employer representative observations shall not constitute probable suspicion or be grounds for testing.

The Employer will require urine specimens 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.

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.

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.

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.

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-Acetylmorphine	10 ng/ml	6-Acetylmorphine	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		n/a

-
- (1) Delta-9-tetrahydrocannabinol-9-carboxylic acid
 - (2) Benzoylecgonine
 - (3) 25 mg/ml if immunoassay specific for free morphine
-

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.

Test results which are below the levels specified herein shall be considered negative indications and shall be reported to the Employer as such.

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.

Employees suffering from alcoholism 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.

Section 8.11 Random Drug Testing

In the interest of promoting the highest standards of workplace excellence and safety, the parties agree to adopt a random drug 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. The program shall become effective at such time as the employer implements a parallel program for non-represented employees. Former ML&P employees not currently in a random drug testing pool will be included in the selection pool for this program six months after the effective date of the Transition Agreement in Appendix of this agreement.

8.12 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.

8.13 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 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, 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/or substance abuse, and to protect them against discipline and job loss while they are in treatment if they should stumble once or twice.

ARTICLE 9 DISCIPLINE

Section 9.1 Misuse of the 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 9.2 Compliance with 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 9.3 Performance of Work

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

Section 9.4 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 9.5 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.

Section 9.6 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.

Section 9.7 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.

ARTICLE 10 GRIEVANCE PROCEDURE

Section 10.1 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 General Manager, 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 2.6 Shop Steward 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 10.2 Grievance

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

Section 10.3 Grievance Procedure

Any employee, 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:

Step One: 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.

Step Two: 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 follow.

Step Three: 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.

Step Four: 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.

Step Five: 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.

Step Six: 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 10.4 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 cross-examine. 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 the 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 11 WORKING RULES – OUTSIDE PLANT

Section 11.1 Definitions

11.1.1 Journeyman

A journeyman is a worker who has met the requirements for practical experience and training in the employees classification, or the equivalent of such experience and training and has passed a journeyman's examination.

11.1.2 Foreman

A foreman is a journeyman lineman who directs other employees as assigned. He may not direct more than one crew or over twelve employees. Except as provided below, at the foreman's discretion, he may work with the tools provided it does not interfere with the supervision of safety. Whenever a foreman is directing a construction crew he shall not work with the tools. On underground work a foreman directing less than four journeyman, including the foreman, may work with the tools.

11.1.3 Maintenance & Operations (M/O) Foreman

The maintenance & operations foreman is a journeyman lineman who directs loop wagons and other employees as assigned. This employee may not direct more than twelve employees.

11.1.4 Loop Wagon Leadman

A loop wagon leadman is the responsible journeyman lineman on a loop wagon on which two (2) journeyman linemen are employed. This employee will be responsible for the inventory of tools and material assigned to such loop wagon and will maintain such records as are necessary to its operation.

11.1.5 Cable Splicer Foreman

The cable splicer foreman is a journeyman lineman who will direct cable splicer(s). When four (4) or more cable splicers are employed the foreman will not work with the tools and he will not direct more than nine (9) cable splicers.

11.1.6 Cable Splicer

A cable splicer is an employee who is required to splice metal-sheathed cable, whether energized or not, and to attach potheads or other devices to metal-sheathed cable.

11.1.7 Cable Splicer's Helper

A cable splicer's helper is a journeyman lineman who works with and assists a cable splicer. If a journeyman lineman is not available, an apprentice in his third year of training may be used as such helper and at the applicable apprentice wages.

11.1.8 Swing and Mid-Shift Lineman

A night crew lineman is a journeyman lineman who works on the night crew as provided for in Section 5.1.3.1 and 5.1.3.2.

11.1.9 Locator Lineman

The locator lineman is charged with locating any of CEA's underground facilities.

11.1.10 Equipment Operator

An equipment operator will preferably be a journeyman lineman. The equipment operator will operate line trucks; mechanical earth augers, crawler-type equipment, and such other specialized mechanical equipment as may be used by the Employer in line construction and maintenance.

11.1.11 Field/Wiring Inspector

A field/wiring inspector is a journeyman lineman who is qualified to and will inspect the wiring of premises for compliance with applicable safety codes and safety regulations. This employee will also inspect other work done or to be done by or for the Employer.

11.1.12 Senior Shop Mechanic

A senior shop mechanic is a shop mechanic who will direct other shop mechanics as assigned. The employee may be required to work with the tools. This employee shall receive instructions from the appropriate Company representative.

11.1.13 Shop Mechanic

A shop mechanic is an employee who is qualified to and will service, repair, and maintain all mechanical equipment.

11.1.14 Night Shop Mechanic

A night shop mechanic is an employee who is qualified to and will service, repair, and maintain all mechanical equipment and whose workday is as defined in Section 5.1.3.1. The employee shall be restricted to non-hazardous duties unless two (2) mechanics are on duty.

11.1.15 Mechanics Helper

A mechanics helper is an employee reporting to the senior shop mechanic responsible to: refuel vehicles, add and change oil, and lube. Replace lamps and lenses, clean windows, check transmission and differential oil levels, check and add engine coolant and washer fluid, check tire inflation and tread condition. May include changing tires on light vehicles, i.e., on $\frac{3}{4}$ ton or under in the field. Maintain vehicle service records. Report all safety related conditions to senior shop mechanic.

11.1.16 Night Warehouseman

A night warehouseman is an employee who, under the supervision of a warehouse foreman, assists the latter in receiving, storing, and issuance of equipment and material and the maintenance of records pertaining thereto.

11.1.17 Connects and Disconnects Lineman

Connects and disconnects requiring removal, setting, or booting of meters will be done by journeyman lineman.

11.1.18 Relay/Control Wiring Technicians, Substation Technicians and Lineman

Jurisdiction will be as defined in the respective positions descriptions and appropriate supporting jurisdictional diagrams dated 5/28/98. Relay/Control Wiring Technicians will perform low voltage switching and operations of equipment to perform their work.

11.1.19 Line Patrol Foreman

A lineman patrol foreman is a journeyman lineman who patrols, inspects and evaluates transmission and distribution facilities, works directly with supervisors, designers, inspectors, engineer technicians, surveyors, and linemen, as assigned, conducts routine inspections and evaluations to determine where maintenance is required and how it will be accomplished.

Section 11.2 Equipment

The Employer will furnish to all regular employees such safety straps, gaffs, and all other necessary tools and equipment, except shop mechanics. If the personal tools or equipment furnished by all employees are destroyed or damaged by fire, storm, flood, or documented theft while stored on the Employer's premises, or carried in the Employer's equipment, the Employer will replace or repair such tools at no expense to the employees.

11.2.1 Coveralls and Jackets

Employer agrees to furnish coveralls to shop mechanics and lightweight jackets with company insignia to all employees. Such clothing will be replaced at the Employer's expense when no longer serviceable.

11.2.2 Identification Clothing

For purposes of identification the Employer agrees to provide meter readers with shirts, sweatshirts, coat and hats with Chugach insignia.

11.2.3 Meter Reader

Meter Readers in areas south of Portage, Moose Pass and Cooper Landing shall be provided with a vehicle equipped with a two-radio or cellular phone.

11.2.4 Mechanics Tool Allowance

The employer will pay a mechanics tool allowance of \$100.00 per month not to exceed \$1,200.00 in any calendar year payable not later than the first pay period of each month.

11.2.5 Cleaning

Clothing furnished by the Employer to the mechanics will be cleaned or laundered, when necessary, at the Employer's expense. Cleaning and maintenance of Employer furnished jackets will be employee's responsibility.

11.2.6 Clothing Allowance

The clothing allowances for Journeyman Lineman, Relay-Control Wiring Technicians, Substation Technicians and Utility Arborist will receive FR gear per the Arc Flash Protective Clothing LOA dated February 12, 2009.

The clothing allowances for meter readers will be \$150.00 per year.

The clothing allowances for warehouseman personnel will be \$150.00 per year.

These clothing allowances will be effective January 1, 2007, and each year thereafter payable not later than January 30 of each year.

The Union and the Employer agree to negotiate revisions to this section if applicable law governing required employee clothing changes after execution of this Agreement.

These clothing allowances are intended to be used by employees to purchase and wear; line boots, bunny boots, Carhartts, winter clothing and rain gear.

Section 11.3 Construction

Framing poles, boring and fitting cross-arms, making guys, and setting anchors will be done by journeyman lineman provided that a crew setting and tamping poles on new construction will consist of a minimum of one (1) journeyman lineman, and one (1) apprentice and a foreman.

11.3.1 Pole Handling

Employer will contract or otherwise arrange for the delivery of utility poles at the point of "first drop", that is, at its pole storage facility or without reference to this Agreement.

11.3.2 Handling and Distribution

Utility pole handling and/or distribution of utility poles to job sites, subsequent to the foregoing "first drop" will be assigned to employees of Employer when the work related thereto is to be performed by Employer's employees, and will normally be the responsibility of the electrical contractor, but Employer may, at its discretion, assign utility pole handling and distribution work to its own employees without regard to the use to be made thereof, or the purpose for such pole handling and/or distribution.

11.3.3 Trenching

All trenching from the pole or pedestal to the meter base of the user of electricity will be done by journeyman linemen who may be assisted by apprentices. An individual homeowner may dig his own trench in order to preserve trees and shrubbing or for other aesthetic reasons.

11.3.4 Transportation of Electrical Equipment

Electrical equipment to be transported from Chugach facilities will be loaded on trailers or railroad cars by journeyman linemen assisted by permit operators as required. Such loading may be performed by qualified and trained warehousemen if such loading can be accomplished with a forklift, boom truck rated at twelve tons or less without special rigging, or by hand. Transference of loads to another conveyance will be done by the applicable trades. Unloading of the electrical equipment will be done by journeyman linemen assisted by permit operators.

11.3.5 One Man Crew

A journeyman lineman shall perform the work and may work as a one-man crew when executing connects and disconnects (meter removal, installation and booting only) locates, inspections, routine switching of circuits as provided under Section 11.4.1, line patrol and emergency repairs to the extent necessary to safeguard the general public. At its discretion, the Employer may assign such one-man crew to perform any of the above listed duties, during normal workday and workweek, or assign a one-man crew to temporarily fill out or augment an existing crew.

One-man crew duties shall not extend beyond 8:00 p.m. or sunset, whichever is earlier.

Section 11.4 Call-Outs and Switching

All lineman classification call-outs shall be done by at least two (2) journeyman linemen; except one (1) person may be called out for work in accordance with Article 11.3.5, one man crew. The first person to respond to a two (2) person call-out may assist police and/or fire personnel to safe guard the general public or perform other work to prepare for response to the outage so long as this work can be done safely.

Call-outs for work determined to be in the following classifications may be performed by calling out one (1) employee.

- A. Relay/Control/Substation Alarm Response not involving high voltage switching.

- B. Warehousemen.
- C. Mechanics.
- D. Construction and Maintenance Personnel.
- E. Meter Technicians (In accordance with Article 8.2).

In order to provide for the equalization of overtime the Employer will establish an alphabetical call-out list and will make every reasonable effort to insure that call-outs are made following an alphabetical rotation, starting after the last person called. Separate lists will be maintained for: journeyman linemen, substation technicians, relay control wiring technicians, warehousemen, mechanics and construction and maintenance personnel.

Journeyman linemen with specific technical expertise such as Substation Linemen, Hazardous Materials Response Linemen, PCB/Apparatus Linemen and Meter Technicians may indicate these skills on the linemen call-out list.

Appropriate management personnel may direct power control to call-out journeyman linemen with technical expertise to respond to priority alarms, spill response, and meter problems.

Personnel called out because of their technical expertise will be advised that the call-out is technical in nature. However, these personnel may be utilized for other work within the employee's classification. The technical nature of the call-out will be noted on the call-out list and these personnel will not be called for a regular call-out within the same alphabetical rotation.

Hot Apprentices may be called out after the Dispatch Center has gone through the call-out list and all journeymen on the call-out list have been offered the work and they have either accepted declined or were not contacted, and there is still a need for additional help. Should this occur, the journeyman to Apprentice ratio must be at least three (3) to one (1).

11.4.1 Switching

One (1) journeyman lineman, one (1) substation technician, or one (1) relay control wiring technician may perform low voltage switching, such as closing or reopening power circuit breakers by low voltage switch operation, turning load tap changers

to manual or automatic, ground trip switching, or the operation of under-frequency tripping controls, consistent with Section 11.3.5, provided the employee has immediate two-way communications with the Power Control Center. In addition, powerhouse operators may switch in substations that are adjacent to and part of an established powerhouse.

Section 11.5 Line Patrol

All line patrol will be done by journeyman lineman or duly constituted line crews.

Management shall retain the right to inspect for extent of damage and surveillance of its operation.

Section 11.6 Mechanical Digging Equipment

Mechanical digging equipment will be operated by qualified journeyman linemen; provided that operators currently employed by the Employer may operate such equipment. If mechanical digging equipment is to be operated at a location at which other line construction employees are not then working, a minimum of two (2) journeyman linemen will be assigned to the excavation crew, but the second of such employees may be assigned to install cable in the trench, or to perform other work while assisting the employee operating the excavation equipment.

Section 11.7 Shop Work

The testing, repair, and rebuilding of transformers, oil circuit reclosers, sectionalizers, voltage regulators, and other electrical apparatus will be done by qualified journeyman linemen who may be assisted by apprentices. Nothing in this paragraph precludes work performed by Relay Control Wiring Techs/Substation Linemen as specified in the June 7, 1999 Letter of Understanding concerning Relay Control Wiring Technicians, Substation Technicians and Substation Lineman Classifications.

Section 11.8 High Potting

All cable high potting and testing shall be done by journeyman lineman.

Section 11.9 Inclement Weather

Employees who report for work on scheduled workday and who, because of inclement weather or comparable reasons, are unable to discharge their usual duties, will be paid for such day at the applicable rate; provided, however, that such employees may be assigned to other work; or participate in training and instruction pertinent to their employment, including first aid, safety, and hot-stick work.

Section 11.10 Accommodations

The employer will furnish a suitable line room with lockers for clothes, tools and other personal possessions and with facilities for drying clothing and equipment.

Section 11.11 Substation, Meter and Relay Department Crew Structure.

It is understood and agreed that, in the event only two (2) employees are working together, one (1) employee shall be responsible for the job and shall receive at least the same wage rate as a leadman. In the event three (3) or more employees are working together, one (1) employee shall be responsible for the job and receive the same wage rate as foreman.

11.11.1

When circuits or instruments supply both metering equipment and relaying equipment, the appropriate supervisor will assign employees to work in areas defined by their classifications in Section 11.1.

Section 11.12 Show-up Shop

For Cooper Landing crew, show-up will be in Cooper Landing. For all other classifications, show-up will be at the Employer's Headquarters Building-Operations complex in Anchorage. The Employer and the Union may mutually agree on a case-by-case basis to change the show-up location to compete for maintenance/construction projects.

Section 11.13 Picket Line

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

Section 11.14 Tree Trimming

The trimming of trees in dangerous proximity to energized circuits will be done by journeyman lineman, or qualified tree trimmers.

Section 11.15

The following position definitions have been moved from Article 11.1 and are incorporated in Job Classifications which have been mutually agreed upon by the Union and Employer through the Classification Committee of Article 15 Section 15.3:

Construction and Maintenance Foreman
Construction and Maintenance Helper

Construction and Maintenance Man
Foreman
Journeyman Lineman
Leadman
Maintenance Man
Meter Reader
Senior Meter Reader
Meter Technician
Senior Meter Technician
Relay/Control Wiring Technician
Senior Relay/Control Wiring Technician
PCB Apparatus Lineman
PCB Apparatus Foreman
Substation Foreman
Substation Leadman
Substation Lineman
Warehouse Foreman
Warehouse Trainee
Warehouseman
Senior Substation Technicians
Substations Technicians
Tree Trimmer Foreman
Tree Trimmer
Senior Shop Mechanic
Shop Mechanic
Mechanic Helper
Night Shop Mechanic
Night Shop Foreman
Cable Locator

Section 11.16 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 12 MISCELLANEOUS

Section 12.1 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 12.2 Communications and Notices

All communications between the parties that are contemplated or required by this Agreement will be in 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 specified period, such notice of 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 12.3 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 12.4 Identification Cards

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

ARTICLE 13 HEALTH, WELFARE AND PENSION PLANS

Section 13.1 Health, Welfare and Life Insurance Plan

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 #553, Vision Plan #701, Dental Plan #601, Disability Plan #801, and Life Insurance Plan #903. The Employer will pay Health and Welfare premiums as follows: (As of April 1, 2018, the total monthly premium per employee is \$2,001.00, of which the Employer pays \$1686.99 on behalf of each employee. The employee pays the remaining \$317.01 of the premium. These totals are subject to change April 1st of each year.)

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 to see the employee health and welfare premium cost.

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.

13.1.1

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 individual's names for whom the deductions 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.

13.1.2

The Employer will fund One Hundred percent (100%) of Life Insurance benefits in the amount of \$50,000 per employee.

Section 13.2 Pension Plan

Employer agrees to participate in, and to contribute to, the Alaska Electrical Pension Fund, a trust fund which was established pursuant to (1) an agreement between the Union and the Alaska Chapter of National Electrical Contractors Association, Inc., and (2) that certain Declaration of Trust Agreement entered into by the aforesaid parties for the purpose of providing pension benefits for those persons covered by the said agreement. The foregoing payments to the Fund made by Employer will entitle the said covered employees of Employer to pension payments under such terms and conditions as may be lawfully provided for the administration and management of said Fund. All payments due hereunder will be made 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.

The parties agree to increase the current Chugach employee Pension Contribution of \$9.00; by \$0.25 on July 1, 2017, by \$0.25 on July 1, 2018, by \$0.25 on July 1, 2019, by \$0.88 on July 1, 2020, by \$0.10 on July 1, 2021, by \$0.10 on July 1, 2022, by \$0.10 on July 1, 2023, by \$0.10 on July 1, 2024.

ML&P employees transferred as of the Effective Date into the Chugach Bargaining Unit will retain their current pension contribution rate. An increase of sixty-eight cents (\$0.68) per hour, effective July 1, 2020, and then thirty-two cents (\$0.32) per hour, effective July 1, 2021, and every July 1 through the duration of this Agreement.

13.2.1 Pension Reallocation

Any covered employee who is a participant in the Alaska Electrical 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 13.3 Alaska Electrical Legal Fund

The Employer shall contribute ten 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.

Section 13.4 Political Action Committee Fund

With voluntary authorization by an employee on a form supplied by the Union, the Employer agrees to deduct a flat amount per pay period from the employee's wages to be submitted to the IBEW Local Union 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 13.5 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 13.6 Money Purchase Plan

An Employer Contribution of 1.9% of gross annual earnings will become effective July 1, 2020. Employees may voluntarily contribute to the Alaska Electrical Workers Money Purchase Plan upon presentation of a properly signed authorization form to the Employer. The Employer agrees to withhold and forward voluntary money purchase plan contributions authorized by an Employee. This authorization for deduction may be discontinued at any time by the employee.

**ARTICLE 14
GENERAL PROVISIONS**

Section 14.1

Employees covered by this Agreement shall be compensated pursuant to the wage rates set forth in Appendix A hereof.

Section 14.2 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 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.

Section 14.3

The Letter of Understanding between the Employer and the Union concerning Relay/Control Wiring Technicians, Substation Technicians and Substation Lineman classifications dated 6-3-99 shall become and remain part of the Outside Plant Personnel Agreement.

**ARTICLE 15
LABOR –MANAGEMENT COMMITTEE**

Section 15.1 Labor Management Committee

A Labor-Management Committee, consisting of the General Manager and two representatives from management, the Union Business Representative and two representatives from the employee group, will meet during working hours no less than quarterly. The Committee will not have the authority to alter the meaning or cost application of the collective bargaining agreement.

Section 15.2 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 set forth in Section 15.3 and Section 15.3.1.

Section 15.3 Classification Committee

The Union and the Employer shall utilize Classification Committee 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 change 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:

15.3.1 Classification Committee Procedure

(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.

Step One: The moving party will prepare a proposal identifying the changes sought and forward it to the Vice President of Human Resources (HR) who will then 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.

Step Two: 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.

Step Three: The Classification Committee will reach a decision within seven (7) days of the meeting and the decision of the majority of the Committee shall be final, except as provided below.

Step Four: 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) The Employer agrees that when establishing new or revised job classifications it will not unilaterally remove the Journeyman Lineman requirement for any existing job classification. The removal of the Journeyman Lineman requirement from any existing job classification requires mutual agreement by the Union and the Employer.

ARTICLE 16

Wages

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%).

Transferred ML&P Employees:

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 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 the Anchorage CPI-U at not less than two percent (2%) and at no more than three percent (3%).

Effective, July 1, 2023: 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 three percent (3%).

Effective, July 1, 2024: 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 three percent (3.3%).



Letter of Understanding

Between

CHUGACH ELECTRIC ASSOCIATION, INC.

And

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS
LOCAL 1547

Concerning

RELAY/CONTROL WIRING TECHNICIAN, SUBSTATION TECHNICIAN and
SUBSTATION LINEMAN CLASSIFICATIONS

This letter is to confirm the understanding reached between the parties, concerning the above-mentioned job classifications. In accordance with Article 15, Section entitled "Classification Committee" of the Outside Plant Personnel Agreement (OPPA), it is mutually agreed to establish the positions of Substation Technician and Senior Substation Technician within the OPPA. In addition, the existing Substation Lineman, Substation Leadman, Substation Foreman, Relay/Control Wiring Technician and Senior Relay/Control Wiring Technician and job classifications will be modified to adapt to the new classification structure.

Modification of Position Descriptions

Substation Technician and Senior Substation Technician classifications will be added to appendix A of the OPPA. The wage rate for the Substation Technician classification will be the current rate of the Relay/Control Wiring Technician Classification; the wage rate for the Senior Substation Technician classification will be the current rate of the Senior Relay/Control Wiring Technician. The wage rates for the modified position descriptions, dated Monday, June 7, 1999, for the Substation Lineman, Substation Leadman, and Substation Foreman classifications will be the same as for the existing classifications.

Reporting Relationships

The current reporting relationships will be maintained within classification, Technician to Senior Technician and Substation Lineman to Substation Leadman or Substation Foreman. However, Technicians may be required to report to Substation Leadman or Substation Foreman and Substation Lineman may be required to report to Senior Substation Technicians or Senior Relay/Control Wiring Technicians. This structure is further clarified in "Duties" below.

Duties

It is anticipated that in the future by mutual agreement, between the Employer and the Union, common job duties between the Electronics Technicians of the Generation Plant Personnel Agreement and the subject classifications may be added to these position descriptions.

The duties defined in these position descriptions will be those of the respective positions subject to recognition of the following points.

- Job duties included in these descriptions which are currently done by other classifications or management personnel (for example: analyzing data, using computer equipment, writing test reports) will remain shared duties and are not exclusively the duties of these classifications. However, this does not imply that bargaining unit work can be transferred to non-bargaining unit positions.
- Substation Technicians, Relay/Control Wiring Technicians and Substation Lineman will, as required, work as composite crews and assist one another in their daily work. Substation Technicians will work independently, with Substation Linemen, with Relay/Control Wiring Technicians, or with other Technicians, as required, so long as such work is in accordance with OPPA.
- When work involves multiple job classifications, the person-in-charge will be established by the nature of the work. Within the Substation department, if work is of a preventative/diagnostic/analytical nature, it will primarily be Substation Technician work. If the work is primarily of remedial maintenance/aerial/high voltage switching/heavy equipment/oil processing nature it will be Substation Lineman work. Notwithstanding the above, demonstrated proficiency will be the final determinant of the appropriate testing and maintenance crew structure and leadership. This determination of the appropriate crew leadership structure for a given task will not adversely effect wage rates for individuals in bid leadership positions (Substation Leadman, Substation Foreman, Senior Substation Technician, or Senior

Relay/Control Wiring Technician), regardless of their role in a given task's crew structure. Individuals who are in leadership positions as a result of a given task's required crew structure will be upgraded according to the OPPA.

The term Substation Boundary is defined by the attached diagram entitled "LOU Attachment – A, General Substation Boundary Layout". Substation Technician and Relay/Control Wiring Technician duties shall be primarily confined to the following: work within the substation boundary, appropriate shop work, and other work as defined in the position descriptions. They will also perform ground level work on line reclosers, sectionalizing circuit switchers, the mobile substation, and other remote distribution automation devices. Line work outside of the station getaways, located at the Substation Boundary, will remain jurisdictionally unchanged. Substation Lineman, Substation Technicians, and Relay/Control Wiring Technicians will perform high and low voltage switching, grounding, and work associated with the establishment and removal of clearances and hot line orders within substations, as defined in the appropriate position descriptions.

Individuals who are not currently trained in the performance of high and low voltage switching, and work associated with the establishment and removal of clearances and hot line orders, within substations, will receive adequate training to certify them in these tasks. This training will include switching and clearance procedures, as well as, the actual operation of switches and the physical establishment of clearances.

Substation Linemen's duties will be primarily focused within the substation boundary; however, there will be no restrictions on their performance of traditional line work outside the substation boundary, so long as it is done in accordance with the OPPA.

Relay/Control Wiring Technician Design Work

It is recognized that when individuals within the Relay/Control Wiring department are knowledgeable and qualified, they may perform design work under the supervision of a registered professional engineer. Whenever practicable, the Employer will continue to use qualified technicians to perform design work on projects to which they are assigned. Under the supervision and direction of a registered professional engineer, Relay/Control Wiring Technicians will be called upon to design single line and three line schematics, wiring diagrams, and associated drawings. This is not intended to imply exclusive jurisdictional responsibility for this work. A registered professional engineer, a responsible charge engineer or the engineer's consultant may perform the work.

Balance and Reduction in Force for the Substation Department

Initially the Department will hire up to four Substation Technicians. Current Substation Linemen may apply. The number of Substation Linemen in the Department will be reduced by up to four. In order to achieve this staffing level, voluntary transfers out of the Department will be requested. In the event that a Departmental reduction in force is necessary, the reduction in force will take place based on qualifications mutually agreed upon by the Union and the Employer and consistent with the requirements of the appropriate job classification. A qualifications committee comprised of two union representatives and two management representatives will be convened. Qualifications will be determined by written, oral, and demonstrative evaluation of skills and judgement. The four most qualified Substation Linemen, as determined by the qualifications committee will remain in the Department. Qualifications being equal, seniority will prevail.

In the event the qualifications committee cannot reach agreement on the qualification requirements or the qualifications of individuals, the committee will reconvene with the Executive Manager or his designee as a voting member of the committee. Neither the Executive Manager nor his designee will have been a member of the original committee. The committee will then complete the establishment of the qualification requirements and/or determination of employee qualifications. Employees who are transferred based upon these qualifications and believe the qualifications are not reasonable may file a grievance and follow the procedures in Article X of the OPPA.

The Department's remaining Substation Linemen will return to the pool of Journeyman Linemen in the T&D Services Division. For purposes of reduction in force, Substation Technicians, beginning on the date the first Substation Technician position is filled, will be grouped with Journeymen Linemen under Article Three, section entitled "Reduction in Force" of the OPPA. This provision will continue for four years. At the conclusion of the fourth year, in Article Three, Section entitled "Reduction in Force". For purposes of reduction in force, the intent of this language is to protect the seniority of current employees in the Substation Department.

Future Department staffing levels will be dependent on the needs of the Employer. For both hiring and reduction in force (RIF) situations, the Employer will attempt to maintain a balance of one Substation Lineman for each Substation Technician. If a manpower reduction occurs within the Department, it will be by

qualifications, within classification, as determined above. If qualifications are equal the RIF will be determined by reverse seniority. If a company wide or division wide RIF occurs, such that positions within the company are eliminated, Substation Linemen will be grouped with other Journeyman Linemen and Substation Technicians (as described above). Relay Control Wiring Technicians will be grouped within their respective classification, in accordance with Article 3, section entitled "Reduction-in-Force", of the OPPA.

In the event that either the Substation Linemen or Substation Technicians are laid off or a departmental manpower reduction occurs, creating an imbalance in the 1:1 ratio, the next reduction in force within the Substation department will be made to re-establish the 1:1 ratio. In the event that a Substation Lineman position is vacated, and it is to be refilled, the Employer will make a reasonable effort (as defined below) to fill the position with a person holding a Journeyman lineman certification. Preferably this person will be a fully qualified Substation Lineman or if none are available, another Journeyman Lineman provided this individual is capable and willing to be trained as a Substation Lineman. The classification committee will develop a position description for the position of Substation Lineman Trainee.

Job Bidding and Award

The following procedure will constitute fulfillment of the Employer's commitment to make a "reasonable effort to fill the position with a person holding a Journeyman Lineman Certification". In steps one, two, three, and four below, all job posting and bidding will follow applicable procedures set forth in the Article 3 "Vacancies" of the OPPA, subject to the following modifications.

Step One

The position will be posted in accordance with the requirements of the OPPA.

Step Two

A bid committee will convene and the validity of bids will be determined in accordance with the OPPA. The Bid Committee must consider the following factors equally, without discrimination of any kind: ability to meet the posted qualifications, merit, fitness, and three years past performance. The Bid Committee may require written, oral, and demonstrative evaluation of qualifications. These evaluations will be mutually agreed upon by the Bid Committee and will be based upon the appropriate job description. In addition the Bid Committee may request interviews with bidders and/or managers. Where qualifications are equal seniority shall prevail. If this step fails to produce a

successful applicant, the Employer will attempt to fill the position with a qualified Substation Lineman through the Hiring Hall.

Step Three

If Step Two fails to fill the position, the position will be re-posted as a Substation Lineman Trainee. In accordance with the OPPA, all qualified bids will be considered by the Bid Committee. The Bid Committee must consider the following factors equally, without discrimination of any kind: ability to meet the posted qualifications, merit, fitness, aptitude for learning, and three year's past performance. The Bid Committee may require written, oral, and demonstrative evaluation of qualifications. These evaluations will be mutually agreed upon by the Bid Committee and will be based upon the appropriate job description. In addition the Bid Committee may request interviews with bidders and/or managers. Where qualifications are equal seniority shall prevail.

The most qualified bidder, as determined above, will be the successful bidder and will be awarded the trainee position. The successful bidder will undertake the formal Journeyman Upgrade Program established by the Alaska Joint Electrical Apprenticeship and Training Trust (AJEATT) and the Employer. The probationary period of the trainee will be six months, and at the end of this period the Employer will evaluate the employee. If the trainee successfully completes the probationary period, the trainee will move on to complete the remainder of the training program. If the trainee does not successfully complete the probationary period, the trainee shall return to a position assigned by the Employer within the classification listed in Article 3 "Reduction-in-Force" of the OPPA which the employee occupied prior to the failed probationary period. The Employer will then proceed to Step Four.

Step Four

If the successful bidder of Step Three fails to complete the probationary period the trainee position will be re-posted and re-bid, in accordance with Step Three.

If there are no bidders in either step three or four the employer will attempt to fill the Substation Lineman Trainee position with a qualified Substation Lineman Trainee from the Hiring Hall before proceeding. The applicants qualifications will be evaluated by the employer based on: ability to meet the posted qualifications, merit, fitness, aptitude for learning, and three year's past performance.

If there are no bidders, or if the successful bidder does not complete either the probationary period, or the training program, the Employer will be deemed to

have fulfilled its obligation to fill this position with an individual having a Journeyman Lineman Certification. At this time, the Employer may fill this Substation Lineman position as a Substation Technician with an individual who does not hold a Journeyman Lineman's Certification.

The process defined in steps one through four above will be completed, as required, once for each of the four Substation Lineman positions contemplated in this Letter of Understanding. When this process has been completed once for each of these positions, the bidding process for Substation Linemen positions will revert to the procedures outlined in Article 3 "Vacancies" of the OPPA.

If a Substation Lineman position is bid in accordance with Article 3 "Vacancies" of the OPPA, and there are no successful bidders, then the Employer may, at the Employer's discretion, fill this position in one of the following ways. First, the position may be filled as a Substation Lineman trainee. Second, the position may be filled as if it were a Substation Technician position according to the requirements of the position description. Finally, the position may be filled by an indentured apprentice as contemplated in this letter of understanding.

Call-Outs

In accordance with the section entitled "Callouts and Switching" of Article 11 of the OPPA, separate callout lists will be maintained for the Substation Technicians and Relay/Control Wiring Technicians. Substation Linemen may indicate their specialty on the lineman call-out list. There will be no requirement for crew composition ratios with respect to callout. Recognizing the jurisdictional guidelines of the subject job classifications, callouts will be made according to the Employer's needs off of the appropriate list. Each individual called out for composite crew structure call-outs will be compensated at the appropriate leadership rate, until the nature of the problem is determined to be in a specific area. The On-Duty supervisor will make determination of the area of responsibility of the problem with technical input from the technicians involved. This decision will be made as soon as practical. At that time leadership will revert to the appropriate crew member and others will be compensated at the employee's normal rate of pay including appropriate overtime compensation.

Requirements

The existing requirement for successful bidders to remain in the Substation department for a minimum of three years is eliminated; therefore, the bid frequency and duration requirements of Article 3, Section entitled "Job Bidding", of the OPPA will govern these bids. There will be neither a requirement for a

minimum number of trainees or apprentices in the Department nor any requirement for crew composition ratios between Substation Technicians, Relay/Control Wiring Technicians, or Journeyman Substation Linemen.

All new Substation Technicians, Relay/Control Wiring Technicians and Substation Linemen will undergo a six-month probationary period, which may be extended by mutual agreement of the Employer and the Union. In addition, these new employees will be required to complete the Journeyman Upgrade Program either by test or formal completion. The employee will have twice the duration of the Journeyman Upgrade program to complete this requirement.

Apprentices are contemplated under the training provisions of this agreement. Appropriate journeyman to apprentice ratios will be determined by mutual agreement of the Employer and the Union at the time the Apprentice Substation Technician position description is agreed to by the Classification Committee.

Substation Technicians, Relay/Control Wiring Technicians, Substation Lineman and Apprentices will participate in an annual certification as required by OSHA 1910-269, as well as, annual evaluations of job performance and skill. These evaluations may be written, oral, or demonstrative in nature and shall be consistent with the requirements of the OPPA. A written record will be kept of the employee's evaluation form.

Journeyman Upgrade and Apprenticeship Program

The Employer, the Union, and the Alaska Joint Electrical Apprenticeship and Training Trust (AJEATT) will work to develop a curriculum which will fulfill the federal requirements for a qualifying apprenticeship program. This program will be designed to meet the Employer's requirements for qualified and well-trained Substation Technicians, Relay/Control Wiring Technicians and Substation Lineman. Participation in the program is voluntary; no employee will suffer loss of pay or benefits and responsibilities shall not be affected as a result of not participating in the program.

All employees in the Substation Technician, Substation Lineman, and Relay/Control Wiring Technician classifications will be eligible for this training program. These employees will be able to challenge, by examination, steps of the apprentice program so long as such challenges comply with the requirements of a federally approved apprentice program. The Employer will schedule employees who are currently Journeyman Substation Lineman or Relay/Control Wiring Technicians for Journeyman Upgrade training based on qualifications.

Qualifications will be determined by written, oral, and demonstrative evaluation of skill, judgement and aptitude for learning. These evaluations will be mutually agreed upon by the Employer and the Union and will be based upon the appropriate job description. Availability for enrollment in this program will be based on the above mentioned qualifications and the Employer's manpower requirements. The Employer will make a reasonable effort to provide all employees who choose to participate, with the option to participate as soon as practicable. Classroom training will be coordinated between the Employer and the Alaska Joint Electrical Apprentice Training Program (AJEATP) to minimize disruption to the Employer's work force.

In order to provide for work force stability, the Employer may choose to sponsor one or more apprentices in this program. A separate agreement covering apprentices will be mutually agreed upon at this time.

Journeyman Upgrade Training Incentives

The Journeyman Upgrade Program will involve up to six weeks of classroom training annually. This training will be conducted during the normal workday/workweek or some variation thereof, evenings, or Saturdays to be mutually agreed upon between the Employer, the Union and the AJEATP. Employees will perform one-half of this Classroom training on their own time (to be deducted from their annual leave account or done in the evenings or on Saturdays) and one-half on the Employer's time (to be compensated at the employee's straight time rate). The Employer, the Union, and the AJEATP will work to minimize the classroom training requiring the use of annual leave, so long as it does not impact the quality of the training program. In the initial year of the program the Employer may, depending on manpower requirements, grant LWOP to applicants who do not have sufficient accrued annual leave hours in their leave bank to meet the years training requirements. Throughout the duration of the Journeyman Upgrade Program, employees will maintain sufficient annual leave hours in their leave account to cover the upcoming year's scheduled training. Upon successful conclusion of each training step and subsequent completion of that year's step examination or upon successfully challenging a step of the program, the employee's annual leave account will be reimbursed for the actual time that was deducted for classroom training. In addition, the employee's wage rate will be increased to the appropriate step increase. At least two opportunities to pass the examination will be allowed. Individuals will be allowed at least thirty calendar days before re-taking examinations.

Wage Adjustment Upon Completion of Journeyman Upgrade Program

Upon achieving Journeyman Status, as defined in the Journeyman Upgrade/Apprenticeship Program and developed for each of the classifications covered by this Letter of Agreement, employees will be compensated at 105% of their wage rate as defined in Appendix A of the OPPA.

Failure to Successfully Complete the Program

If the employee fails to complete the Journeyman Upgrade Program or fails to pass the appropriate journeyman examination in the time frame prescribed in the training program, the employee's annual leave account will be decreased, in equal amounts, by the total amount of annual leave which has been reimbursed for training. This reduction in annual leave will occur over a period of time similar to the period of time that the training took place.

This provision may be waived, due to hardship (as defined in section V .5 of Chugach's 401(K) Profit Sharing Plan and Trust Summary/Plan description), by mutual consent of the Employer and the Union.

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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.

Pension Contribution Rate: 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 twenty-five 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 then-current 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 then-current 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 twenty-five 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 then-current 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 then-current 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 twenty-five 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 then-current 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 then-current 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.

Wage and Benefit Parity: 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 employer. Chugach agrees to withhold and forward voluntary contributions authorized by an 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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
Info Center Consultant I	32697	GEN
Network Analyst	27730	GEN
Network Technician III	63215	GEN
Systems Analyst	62745	GEN

ML&P (System Programmers)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>
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.

ML&P Engineering (Project Management)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
Utility Division Mgr. II	63183	Non-Rep.	Non-Rep

ML&P Engineering (Customer Engineering)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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 (Station Design)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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)

<u>Position Description</u>	<u>EE ID</u>	<u>Effective Date Status</u>	<u>Replacement Status</u>
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 non-represented 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 non-represented 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, 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 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:



For IBEW:
David Reaves,
Business Manager

11-19-18
Date



For Chugach:
Lee Thibert,
Chief Executive Officer

11/19/18
Date

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

REGULAR BOARD OF DIRECTORS' MEETING
AGENDA ITEM SUMMARY

January 23, 2019

ACTION REQUIRED

AGENDA ITEM NO. X.C

- Information Only
 - Motion
 - Resolution
 - Executive Session
 - Other
-

TOPIC

Financial Matters

DISCUSSION

As discussed in Executive Session.

MOTION

Move that the Board of Directors approve the Financial Matters essentially as discussed in executive session.