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May 2, 1991

David J. Bergman
Acting Manager
Industrial Relations Department
Pacific Gas & Electric Co.
215 Market St.
San Francisco, CA 94106

RE: LA R4-90-214

Dear Mr. Bergman:

This letter is signed based on Company's commitment that when the center opens, rates shall not exceed \$600.00 per month for infants and \$450.00 per month for toddlers.

Also, Company agrees that Item 5a would be cited as a grievable issue in paragraph 2 of your cover letter dated May 1, 1991.

The agree-to lottery guidelines are attached as Exhibit A, and Exhibit B will be attached as soon as the parties mutually mark the designated map of downtown San Francisco.

Yours truly,


Jack McNally
Business Manager

DF:lm

IBEW

International
Brotherhood of
Electrical
Workers, AFL-CIO

Jack McNally
Business Manager

Howard Stiefer
President



LETTER AGREEMENT

No. R4-90-214-PGE



Pacific Gas and Electric Company
Industrial Relations Department
215 Market Street
San Francisco, California 94106
[415] 973-1125

International Brotherhood of
Electrical Workers, AFL-CIO
Local Union 1245, IBEW
P.O. Box 4790
Walnut Creek, California 94596
[415] 933-6060

David J. Bergman, Acting Manager

Jack McNally, Business Manager

May 1, 1991

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P. O. Box 4790
Walnut Creek, CA 94596

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

PG&E recognizes that, as its workforce changes, the needs of employees are also changing. Company believes that our employees' sense of security concerning their families plays an important role in their ability to work productively.

Based on these changing needs, Company and Union undertook a comprehensive evaluation of the family related needs of our current employees as well as research on what other companies were doing to address these issues.

Building on PG&E's tradition of concern for employee well-being, and support for families, Company proposes to introduce five (5) new programs, to complement those already in existence, to help PG&E families meet the challenges of the 1990's:

1. A Dependent Care Reimbursement Account will be available to all employees. This program will allow employees to use up to \$5,000 annually in pre-tax dollars to pay for childcare, eldercare or other dependent care as allowed by the IRS. Enrollment will be in 1991 for 1992 and annually thereafter.
2. A Child Care Resource and Referral Program available to all employees. The program will help parents find the right solution for their specific needs: A childcare center in their community, an in-house caregiver, a sick child care provider, a childcare referral hot-line and information to help employees evaluate caregivers.

Company shall annually provide Union with childcare resource and referral data. Such data shall include the number of bargaining-unit employees by location who have used the service. Company shall include additional information concerning the supply, cost and availability of childcare services by county.

3. An Elder Care Resource and Referral Program will be available to all employees. The program would refer employees to available information about the types of services and options in the community, resource materials on community referral services, social services groups, outside professionals, and information on social security and Medicare/Medicaid.
4. Company will implement a new adoption assistance program to reimburse employees up to \$2,000 for expenses associated with adopting a child. Covered expenses include: legal fees, court costs, agency placement fees, transportation and various other related fees.
5. CHILDCARE CENTER

To help solve the acute shortage of childcare facilities, commute, and other problems of parents who work in San Francisco, a childcare center will open at 77 Beale Street. The center will be operated by a licensed, experienced day-care provider selected by and under contract with PG&E. The center will be available to employees regularly headquartered in downtown San Francisco (see attached map for downtown delineation). San Francisco Division employees headquartered at 245 Market Street who are relocated resulting from the Loma Prieta earthquake will continue to be eligible to participate in the childcare center as long as they continue working in San Francisco.

- a. Company and Union shall jointly determine the information included on the Request for Proposal (RFP) and the list of prospective bidders. Union reserves the right to review the vendor bids. Company shall notify Union in writing of the vendor selected. If Union believes Company's selection of the vendor does not serve the best interest of the bargaining unit, the Union may cancel Paragraph 5 of this letter agreement by providing the Company with written notice within 10 calendar days of receipt of selection notice.
- b. Initially, the center will accommodate 56 children, ages 6 weeks through 48 months, contingent on state licensing, with the goal of expanding to the maximum feasible number of children potentially to include preschoolers, ages 49 months to 60 months. The number of slots available to children of IBEW represented employees shall be determined based on the percentage of IBEW bargaining unit employees working in downtown San Francisco to exempt; ESC represented; and non-bargaining unit, non-exempt employees in those same locations. Temporarily upgraded employees will be given consideration determined by base classification.

Company and Union will negotiate a lottery system for selection of children. Company has exclusive jurisdiction over administration of the lottery.

- c. Prior to the end of the first year, Company and Union shall review all aspects of the operation of the center, including utilization fees. Additionally, Company and Union shall meet on a quarterly basis to discuss childcare issues, rates, lottery and parent satisfaction. Financial arrangements between PG&E and the childcare

provider may be discussed at Company's option, but there is no obligation to do so.

- d. The vendor may cancel participation of certain children for valid reason. Vendor shall provide parents with reason for cancellation. These cancellations are not proper subject for Titles 9 or 102, Grievance Procedure of the Labor Agreement.
- e. Employees who resign or are discharged must withdraw their children within 30 calendar days of termination of employment. If a discharged employee is reinstated, the next available age appropriate childcare vacancy will be offered to the child who was withdrawn from the center. Regular employees who are laid off for lack of work must withdraw their children after one year from the lay-off date unless reemployed during that one year period.
- f. Company has exclusive jurisdiction over all matters concerning the childcare center except those where some jurisdiction is expressly granted to Union.
- g. Either party may cancel the provisions of Paragraph 5 of this letter agreement related to the childcare center with 30 days written notice. In the event of cancellation, children will be allowed to continue until reaching the maximum age limit, or until withdrawal by their parents, or until operation of the facility is terminated.

6. Other childcare facilities may be negotiated by Company and Union.

If you are in accord with the foregoing and attachment and agree thereto, please so indicate in the space provided below and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS AND ELECTRIC COMPANY

By
Manager of Industrial Relations

The Union is in accord with the foregoing and attachment and it agrees thereto as of the date hereof.

LOCAL UNION NO. 1245, INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO

, 1990

By
Business Manager

EXHIBIT A

Child Care Center Lottery Guidelines

Lottery

1. Regular full time employees who are eligible may submit an application to register their child for the lottery.
2. Employees will register for the lottery by application and the company will acknowledge receipt of registration.
3. A data base will be maintained by employee category.
4. When a vacancy occurs, a name will be drawn at random from within the same employee category and age range unless that category is above parity. In such case, see paragraph 5c below.
5. If the drawing in 4 above does not produce a selection or all selections are declined:
 - a. Selection will be made from the category that is the most below parity, or
 - b. If all categories are at parity, then the random selection will be made from those three categories, or
 - c. If one or more categories are above parity, those categories will be excluded from the random selection.
6. Parents will have 72 hours from the time of notification to decide if they want to enroll their child in the center.
7. If the opportunity to enroll the child is declined, the child's application may still remain eligible for future lottery selection.

Allocation of Slots

1. The percentage of slots allocated to employee categories will be based on the percentage of those categories that comprise the downtown San Francisco work force.
2. The percentage will annually updated at the fourth quarter review meetings.
3. The percentage will be in effect for one calendar year (January-December). For 1992, the percentage will be determined in December 1991. For pre-registration in 1991, the percentage will be determined in June 1991.

Child Care Center Lottery Guidelines
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Pre-registration 1991

1. A deposit of \$100.00 will be required and applied to the first month's fee. The deposit payable within 15 calendar days of notice of selection.
2. Initial registration will be by lottery.