

PHYSICAL AGREEMENT
BETWEEN
MT. WHEELER POWER, INC.



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



Effective Date: January 1, 2012 – December 31, 2014

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**MT. WHEELER POWER, INC.
PHYSICAL AGREEMENT**

Term: January 1, 2012 through December 31, 2014

AGREEMENT

THIS AGREEMENT, made and entered into this 1st day of January, 2012, by and between Mt. Wheeler Power, Inc., hereinafter called the Employer and Local Union No. 1245 of the International Brotherhood of Electrical Workers, AFL-CIO, hereinafter called the Union.

**ARTICLE 1
RECOGNITION**

1.1 For the purpose of collective bargaining with respect to rates of pay, wages, hours of employment and other conditions of employment, Employer shall recognize Union as the exclusive representative of the Employees for whom the National Labor Relations Board certified Union as such representative in Case No. 20-RC-11125.

1.2 The Union and the Employees recognize that the Employer continues as the sole and exclusive manager of its business, retaining all of the powers, rights, functions and authority formerly held by management, except to the extent to which they are specifically limited by an express provision of this Agreement and nothing herein contained shall be construed to the limit the right of the Employer to determine the character, extent or methods of its operation.

1.3 It is understood and agreed that the Employer retains the unilateral right to determine its methods of operations, or any part thereof. However, the Employer will not contract out work being performed by Employees within the bargaining unit which results in the laying off of the then working Employees. This shall not be interpreted to prohibit the contracting out of new, different or additional work to which unit Employees have not been assigned or work for which, in the opinion of the Employer it does not have the adequate equipment, facilities or skilled personnel to properly perform.

1.4 Provisions of this Agreement shall be limited in their application to Employees of Employer as described in Section 1.1 of this Article. When the words "Employee" and "Employees" are used in this Agreement, they shall be construed to refer only to Employees described in said Section 1.1 unless otherwise noted.

1.5 Neither the Union nor the Employer shall discriminate against any Employee or prospective Employee because of race, sex, color, creed, national origin, age, disability or membership or non-membership in Union.

1.6 The Employer shall deduct from their wages and pay over to the proper officers of the Union the normal and regular membership dues of those Employees who individually and voluntarily authorize such deductions in writing. A charge of the true cost per deduction will be

made by the Employer for this service. Employees may cancel these deductions at any time by written notification to the Employer. (Amended 2-1-91)

1.7 The Employer will provide bulletin board space for use by the Union for the posting of official Union notices of meetings and similar matters relating to official Union business.

1.8 Upon first reporting to the General Manager or his delegate, an authorized, official representative of the Union shall be permitted to visit operations of the Employer at appropriate times during working hours. This privilege shall not be abused and there shall be no obstruction or interruption of the work. (Amended 2-1-91)

1.9 Union may designate Union Stewards as it deems necessary for the proper administration of its affairs and for the proper execution of the provisions of this Agreement.

ARTICLE 11 **NO INTERRUPTION OF SERVICE**

2.1 (a) The Employer is engaged in the business of rendering public utility and internet services to its members, and the Union, the Employees and the Employer recognize that there is an obligation on each party for the continuous rendition and availability of such services.

(b) The duties performed by Employees of the Employer as part of their employment pertain to and are essential in the operation of a public utility and the welfare of the members dependent thereon. During the term of this Agreement, the Union shall not call upon or authorize or permit Employees individually or collectively to cease or abstain from the performance of their duties for the Employer. There shall be no strike by the Union or by any Employee(s) or lockout by Employer.

2.2 Any Employee(s) who participate in, advances, leads or promotes any breach of the no-strike provisions of this Article shall be subject to disciplinary action up to and including discharge.

2.3 Each Employee shall perform loyal and efficient work and service and shall use Employee's influence and best efforts to protect the properties of Employer and its service to its members and shall cooperate in promoting and advancing the welfare of the Employer and in preserving the continuity of its service to the members at all times.

ARTICLE III **DEFINITIONS**

3.1 Employees shall be known as regular, temporary, probationary or part-time.

3.2 Regular Employee: One who has completed three (3) months of full-time continuous service with the Employer.

3.3 Temporary Employee: One hired by the day for occasional or seasonal work or for a limited and specified period of time. A temporary Employee shall not be eligible for fringe benefits such as paid holidays, sick pay, group insurance or paid vacations. If a temporary Employee should, in the course of continuous employment, be reclassified to probationary or regular, he shall be credited with continuous service in determining eligibility for benefits accruing to his new status. An Employee hired on a temporary basis for a period of time intended to exceed ninety (90) days, will be given a written notice of the time of expected termination. If work is continued beyond that date or Employee is rehired within the following three (3) months, the Union will be notified and the parties shall mutually agree to the status of Employees for such additional working time.

3.4 Probationary Employee: One hired for a position regularly established subject to satisfactory performance as judged by the Employees supervisor. After three (3) months of employment, if determined satisfactory to be a regular Employee, a probationary Employee's status shall be changed to that of a regular Employee.

3.5 Part-Time Employee: One hired to work less than five (5) days per week or less than eight (8) hours per day. Not eligible for fringe benefits.

3.6 The retention of temporary and probationary Employees is at the sole discretion of the Employer and termination of employment of such Employees shall not be subject to review through the grievance procedure.

ARTICLE IV **SENIORITY**

4.1 Seniority shall be defined as total length of continuous service with the Employer and its predecessor Employers, Ely Light and Power and Eureka Light and Power Company. After an Employee has completed Employees probationary period as outlined in Article III (3.4) of this Agreement, and Employee shall accumulate seniority retroactive to last date of employment or re-employment.

4.2 Seniority is lost when an Employee quits, is on layoff longer than twelve (12) months, for failure to report to work within five (5) working days after the end of a layoff or a leave of absence, upon retirement, upon discharge for cause, or for being off work for any reason other than a qualified disability for longer than twelve (12) months. The Employer shall post a seniority list as of January 1st of each year, a copy of the list also being furnished to the Union.

4.3 Layoffs and recalls of regular full-time Employees shall be on the basis of seniority of those Employees qualified to perform the available work.

ARTICLE V
PROMOTION AND DEMOTION

5.1 It is the intent of the Employer to continue the practice of filling job vacancies by promoting qualified Employees already employed by the Employer.

5.2 Vacancies (as determined by the Employer to exist), which will last more than thirty (30) days shall be posted on the bulletin board at each headquarters for a period of five (5) workdays. The bulleting shall be dated and state the name of the headquarters and the vacancy that exists.

5.3 Any Employee who desires consideration must notify the HR Department in writing within ten (10) workdays of the date of posting. Bid forms will be provided by the HR Department to be filled out by the bidder.

5.4 Where qualified, available Employees bid for a job opening and past performance and qualifications of the bidding Employees are relatively equal, the bidding Employee best qualified with the greatest total length of continuous service shall be awarded the job.

(a) In the event a qualified Employee does not bid for the posted job vacancy within the allotted ten (10) work days provided by 5.3 above for Employee bids, the Employer will post a notice of that fact and will then be free to fill the vacancy from any available source.

5.5 A temporary appointment to a job vacancy shall, if practicable, be given to the Employee who would be awarded the vacant job on a permanent basis.

5.6 When it becomes necessary to layoff employees due to lack of work, the Employees concerned shall be given as much notice as possible, but in no event less than ten (10) workdays except in cases of emergency beyond the control of the Employer. No notice or layoff is required where temporary Employees are involved. Layoff for lack of work will be on the basis of qualifications to do the work available and seniority.

5.7 Nothing in this Article shall be construed to prevent the Employer from hiring new Employees into any vacant job position where in its judgment qualified Employees are not available.

ARTICLE VI
PROTECTION FROM DISCHARGE AND SUSPENSION

6.1 The Employer may discharge any Employee if Employee's work is not satisfactory, but the Employee shall have first been given at least one (1) written warning notice with a copy to the Union in all cases except: recklessness, dishonesty; using, possessing, transporting, or being under the influence of intoxicants or illegal controlled substances, while on duty or at any time in a vehicle of the Employer; refusal to perform required work for which Employee is qualified, or negligence resulting in more than minor damage to Employer's property or equipment, or negligence which threatens the safety of others. Warning notices shall be effective for twelve (12) months from the date of issue. (Amended 2-1-98)

6.2 Any disciplinary action, demotion, suspension or termination shall be deemed final unless the Employee or the Union shall request a hearing with the Employer within five (5) working days after such action occurs.

6.3 Upon such timely request, all persons with any knowledge of the facts may present any such facts or evidence to a person designated by the Employer to hear the matter. Within five (5) working days after such hearing, the Employee and the Union shall be notified in writing as to whether the suspension or termination is rescinded, modified, or confirmed. \

6.4 If not satisfied with the Employers decision, the Employee or the Union may notify the Employer of any exceptions to the findings; and may request reconsideration, provided such request is made within five (5) working days after receipt of the Employers decision. If a satisfactory solution is not reached, the matter may be substituted to arbitration upon request of the Union provided such request is made within five (5) working days after the notice from the Employer that the Employer would not grant further reconsideration. If arbitration is requested, the arbitrator shall be selected and procedure followed as outlined in Article XVIII Arbitration of this Agreement.

ARTICLE VII **TEMPORARY OR PART-TIME EMPLOYEES**

7.1 The Employer reserves the right to hire temporary or part-time Employees. Such Employee(s) shall not be used in order to layoff regular full-time Employees. Also, if regular full-time Employees are on layoff, temporary or part-time workers shall not be hired before qualified regular full-time employees in layoff status are first offered the work available. Regular full-time Employees who accept part-time work on a temporary basis shall continue to receive fringe benefits available to regular Employees. Employees hired as temporary or part-time Employees shall receive rates of pay provided in this Agreement, but shall not be entitled to the fringe benefits or paid holidays or group insurance.

ARTICLE VIII **WAGES**

8.1 The job classifications and minimum hourly wage rates listed therefore in Exhibit A are herewith made a part of this Agreement. Job Classifications and Job Descriptions are listed for the purpose of determining applicable rates of pay and shall not be construed as a limitation of the work assignment of any Employee. Nothing in this Agreement shall be construed as a guarantee of employment.

8.2 All Employees shall be places on an hourly rate of pay and shall be paid on a semi-monthly basis with payday by the third (3rd) and the eighteenth (18th) of each month. If a payday falls on a holiday, payment shall be made on the workday immediately following the holiday.

8.3 (a) When an Employee is temporarily assigned to work in a classification higher than the Employees regular classification for one (1) hour or more, Employee shall be paid at not less than the minimum rate established for the higher classification for each hour or portion thereof so worked.

(b) When an Employee is temporarily assigned or re-assigned to work in a classification lower than Employees regular classification, Employees rate of pay will not be reduced.

8.4 (a) Employer and Union may agree to additional classifications and/or revisions to existing classifications and wages with respect thereto during the term of this Agreement. Pending negotiations with respect to such classifications and wage rates, the Employer may establish temporary classifications and wage rates.

(b) The Employer will promptly notify Union of any such temporary classifications and wage rates which are established. When the Employer and Union reach agreement on the wage rate for the new classifications, the wage rate shall be retroactive to the date when the classification was first temporarily established.

8.5 Apprentices shall advance to journeyman status upon completion of their apprenticeship.

ARTICLE IX **TRANSPORTATION**

9.1 Employer or public transportation shall be furnished to all Employees requiring, in the discretion of the Employer, transportation in the performance of their duties. If an Employee should request to use Employee's own automobile and permission is given subject to evidence of proper insurance coverage, Employee shall be reimbursed at the rate then established by the I.R.S. as its allowable mileage rate for income tax reporting purposes.

ARTICLE X **HOURS OF WORK**

10.1 Each Employee shall have a regularly established schedule of work hours and workdays.

10.2 The workweek shall be that period between Saturday midnight and the following Saturday midnight.

10.3 Employees' hours of work shall regularly be scheduled on the basis of eight (8) consecutive hours of work exclusive of a thirty minute lunch period, to be worked between the hours of 6:00 a.m. and 6:00 p.m. In the event of a change in shift schedules, the Employer shall notify the Union in writing thirty (30) days in advance and the parties shall agree on the hours to be worked

A letter of understanding to be \ approved by the respective parties which will enable flexible work scheduling arrangements on an individual or group Employee basis by mutual

agreement between the Employee(s) involved the Union and the Employer – notwithstanding any limitations found in the Agreement. (Amended 8/1/87)

10.4 A change in the regularly scheduled lunch period for any reason shall be deemed to require the payment of overtime for lunch time missed unless mutually agreed to by the Employee(s) and the supervisor in charge.

10.5 An Employee shall report to an Employer headquarters to which Employee has been assigned and shall return thereto at the conclusion of the day's work. The time spent in traveling between such headquarters and the job site shall be considered as time worked.

ARTICLE XI **OVERTIME**

11.1 Overtime is defined as (a) time worked in excess of forty (40) hours in a workweek; (b) time worked in excess of eight (8) hours on a scheduled work day; (c) time worked on a non-workday; (d) time worked on a holiday, and (e) time worked outside of regular work hours on a workday. Overtime shall be computed to the closest quarter hour. (Amended 2-1-91)

11.2 Employees who are required to report for work on their non-workdays, or on holiday which they are entitled to have off, or outside of their regular work hours on workdays, shall be paid overtime compensation for the actual work time and actual travel time. If an Employee who is called out for such work outside of Employee's regular work hours on a workday continues to work into or beyond Employee's regular work hours, Employee shall be paid overtime compensation for actual travel time during overtime hours before regular work hours.

An Employee who left work for a routine doctor or dentist appointment shall be considered available to overtime call outs. (Added 2-1-91)

11.3 In the event an Employee is required to work on a holiday, such work shall be paid for at two times (2x) the straight-time rate of pay. In the event an Employee is called out and is required to work on a weekend or Holiday, such work shall be paid at two times (2x) the straight-time rate of pay. For the purpose of this section the beginning of the weekend or Holiday will be 6pm the day before until 6am the day after the weekend or Holiday. Other overtime will continue to be paid at time and one-half (1 1/2x).(Amended 1/1/09)

11.4 In the event an Employee is instructed to report for prearranged overtime work and such work is canceled, the Employee shall be paid overtime compensation for a minimum of two (2) hours if Employee has not had notice of such cancellation at least twelve (12) hours prior to the designated reporting time, except in situations resulting from acts of God or other causes beyond the control of the Employer.

11.5 If an Employee is called out for work by Employer at a time outside the Employee's regularly scheduled hours and such Employee works less than two (2) hours, the employee shall

receive not less than two(2) hours of pay at time and one-half (1 1/2x). Call out occurs not as an extension of a regular workday, nor when it is less than two (2) hours prior to Employee's regular work time and the work extends into Employee's regular workday, but only when Employee has returned home from regular workday or has returned home from a prior call out.

11.6 Overtime opportunities shall be divided as equally as practicable among those qualified to do the work by job classification.

11.7 An overtime opportunity list shall be maintained by job classification.

11.8 Nothing contained herein shall be construed to require the payment of overtime compensation under more than one of the foregoing definitions for a single period.

11.9 Except as otherwise provided herein, overtime compensation shall mean a rate of pay equivalent to one and one-half times (1 1/2x) the standard rate of pay.

11.10 (a) Any Employee who has worked eight (8) hours or more at overtime rates between Employee's regular quitting time and Employee's next regular starting time on regular workdays shall be entitled to a rest period of eight (8) consecutive hours upon completion of such overtime work.

(b) If the Employee becomes eligible for a rest period in accordance with subsection (a) above, and Employer requires the Employee to continue work into Employee's regular work period, the Employee shall be paid at one and one-half times (1 1/2x) the standard rate of pay for all hours worked until Employee is given a rest period of eight (8) consecutive hours.

(c) If the Employee becomes eligible for a rest period and is called back to work during Employee's (8) hour rest period, the Employee shall be paid at one and on-half times (1 1/2x) the standard rate of pay for all hours worked until Employee has been relieved from duty for at least eight (8) consecutive hours, and a new rest period will commence at the conclusion of such work.

(d) If the eight (8) hour rest period in whole or in part overlaps the Employee's regular work hours, EmployeeE shall nevertheless receive straight-time pay for the extent of the overlap. (Amended 8-1-83)

11.11 When an employee works more than sixteen (16) consecutive hours, Employee shall be paid overtime at the rate of two times (2x) for each such hour worked. (Amended 2-1-04)

ARTICLE XII **EXPENSES**

12.1 If an employee is required to report to work two (2) hours or more prior to the beginning of Employee's scheduled shift, the Employer will provide a breakfast, to be eaten on Company time. If Employer requires an Employee to perform work for two (2) hours or more beyond

regular work hours, it shall provide Employee with a meal or pay equivalent (as set forth in 12.6) approximately two (2) hours after regular quitting time, and with meals or pay equivalent at intervals thereafter of approximately four (4) hours, but not more than five (5) hours, for as long as Employee continues to work. (Amended 8-1-87)

12.2 If Employer requires an Employee to perform prearranged work during normal working hours on a non-workday, the Employer shall provide Employee's first meal.

12.3 (a) Regular Employees who are assigned to temporary work at such distance from their established headquarters that it is impracticable for them to return thereto or to their regular place of abode shall be allowed personal expenses for meals up to amounts set forth in 12.6 and actual personal lodging expenses for the duration of such assignment, provided they lodge at places to be designated by Employer. The time spent by such Employees in traveling to such temporary job at its beginning and from it its conclusion and any reasonable expense incurred in connection therewith shall be paid for by Employer.

12.4 An Employee who is required to changed Employee's residence from one locality to another for Employer convenience shall be reimbursed for any expense incurred in the moving of Employee's household and household goods.

12.5 (Deleted 1-1-2012)

12.6 The maximum allowance for meals per day shall not exceed \$11.50 for breakfast, \$13.00 for lunch, and \$21.50 for dinner including tax and tip. The ending time for each two or four-hour meal earned segment of overtime as provided in Section 12.1 shall be the determining factor to determine the number of meals or allowances. (Amended 1/1/12)

(a) Overtime meals not taken will be reimbursed at the dinner rate.(Added 2-1-04)

(b) After four (4) hours of overtime, overtime meals not taken will be reimbursed at the dinner rate and one half (1/2) hour of overtime pay, not to exceed one half (1/2) hour during an eight hour period. (Added 2-1-06)

12.7 Regular Employees who are on temporary assignment outside the Employer's service area shall be allowed personal expenses for the actual cost of meals, tips and personal lodging for the duration of such assignment, provided they lodge at places designated by the Employer. The Employee will be required to submit appropriate receipts for reimbursement of meal and lodging expenses. (Amended 8-1-83)

(a) Employees may request meal or meal and lodging subsistence as 'upfront' money prior to traveling on Employer business. Upfront meal money shall be defined as that allowed, per day, in Title 12.6. Upfront meal and lodging subsistence shall be defined as that allowed, per day, in Title 12.6 and the actual cost of lodging. Employees who are provided money upfront are not subject to providing receipts or reimbursement of unspent funds. (Added 1-1-12)

12.8 Employees required to travel on Employer required business (schools, seminars) will be compensated for actual travel time required between the employer's headquarters and the final destination at the regular rate for travel during normal working hours regardless of whether it is a normal working day. Any travel which is outside normal working hours will be paid at 1the regular rate at straight time. (Amended 1-1-12)

12.9 Each Employee shall furnish Employee's first set of approved hand tools and safety equipment (climbers, belt, safety trap, tool pouch, etc.). Thereafter, the Employer shall replace hand tools and safety equipment worn out in the performance of their duties. The replacement of hand tools and safety equipment carelessly damaged, destroyed, or lost shall be at the Employee's expense. Employees may purchase hand tools and safety equipment from the Employer at its cost. (Amended 2-1-92)

(a) For those Employees in climbing classifications, every three (3) years the employer shall reimburse said Employees in the amount up to \$300.00 with employee's proof of purchase, of appropriate work boots. (Amended 1-1-12)

(b) For those employees in the Warehouseman, Meter Technician, Substation Technician and Mechanic classifications, every three (3) years the employer shall reimburse said employees in the amount up to \$200.00 with employee's proof of purchase, of appropriate work boots. (Added 1-1-2012)

ARTICLE XIII **HOLIDAYS**

13.1 The following shall be recognized as holidays under this Agreement for regular and probationary Employees:

New Year's Day
President's Day (Third Monday in February)
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Friday following Thanksgiving
Christmas Day
Floating Holiday

(Will be observed on an individual basis and taken on a date of the Employee's choosing)
(Amended 8-1-87)

*Birthday Holiday (Amended 2-1-92)

*May be taken at any time during the year with Employer approval.

If any of these holidays falls on a regular workday for regular and probationary Employees, such Employees shall be entitled to the day off with pay. If a holiday falls on an

employee's non-workday Employee shall receive a regular day's pay for such holiday or another day off with pay, as mutually agreed upon between the supervisor and Employee involved.

13.2 If the holiday falls on Sunday, the Monday following shall be observed as the holiday. If the holiday falls on Saturday, the preceding Friday shall be observed as the holiday.

13.3 When a regular or probationary Employee is required to work on a holiday, Employee shall be paid at the rate of two times (2x) the regular rate of pay for all hours worked in addition to the regular holiday pay. To be eligible for holiday pay, an Employee must have worked Employee's next scheduled day before and Employees next scheduled day after the holiday, and the holiday if scheduled to work, unless previously excused by the Employer.

ARTICLE XIV **PERSONAL LEAVE TIME**

14.1 Personal Leave Time – Personal Leave Time replaces the traditional time based benefits previously provided to Employees. It is a bank of days to be used by an Employee for all leave from work and includes vacation, personal illness, accident, family sickness and personal business.

14.2 Eligibility – Each full time regular Employee will accrue Personal Leave Time on a semi-monthly pay period basis to be credited to Employee's personal bank. (Amended 2-1-98)

14.3 Pre-scheduled Personal Leave Time -is Personal Leave Time which may be granted to begin at any time during the payroll year, due consideration being given to (a) minimum interference with Employer's business and (b) seniority. Employees shall make their Pre-scheduled Personal Leave Time requests at least thirty (30) calendar days prior to the beginning date of the requested leave. The supervisor shall make every reasonable effort to schedule work to accommodate the Employee's Personal Leave Time request.

14.4 Scheduled Personal Leave Time - is Personal Leave Time (not scheduled as provided above) whereby an Employee may be allowed to use Personal Leave Time (for personal business matters, etc.), provided Employee's request does not create scheduling problems and minimal expense is caused the Employer by such scheduling.

14.5 Unscheduled Personal Leave Time – is time taken for personal illness or injury, or family illness or injury, immediate family funerals (spouse, children, parents, grandparents, grandchildren, brothers and sisters including step and marital family).

Unscheduled Personal Leave Time which is used for (a) personal illness or injury or (b) family illness or injury may, at the Employer's reasonable discretion, require a physician's verification of disability or ability to return to work following an illness or injury.

Adjustments will be made between Short Term Disability, Workman’s Compensation and Personal Leave Time so that the Employee draws full pay but no more, and no Employee will be charged for Personal Leave Time for which Employee is not paid by the Employer. (Amended 2-1-98)

14.6 Holidays – if a holiday is observed during the use by an Employee of Personal Leave Time, the Employee shall receive eight (8) hours holiday pay for that day.

14.7 Overtime Pay – Personal Leave Time shall be counted as time worked when computing overtime pay. Personal Leave Time shall be paid at the Employee’s base hourly rate.

14.8 Personal Leave Time Allowance – The number of hours of Personal Leave Time awarded an Employee at the end of each semi-monthly pay period shall be based on the following schedule:

<u>Length of Service</u>	<u>Hours Accrued Per Semi-Monthly Pay Period</u>	<u>Hours Accrued Annually</u>
0 through 5 years	6.33	152
6 through 10 years	7.99	192
11 through 15 years	9.16	220
Over 15 years	10.33	248

(Amended 1/1/09)

14.9 Minimum Personal Leave Time Use – An Employee in the current payroll year must use a minimum of one-third of the Personal Leave Time accrued and awarded to Employee’s Personal Leave Time bank for the prior payroll year. If the minimum amount is not used by the last calendar day in the current payroll year, the days will be subtracted from an Employee’s Personal Leave Time bank and will be lost. No carry-over of the minimum requirement into the following payroll year or selling for cash will be permitted.

14.10 Personal Leave Time Carry-Over – Except as required regarding minimum use, all remaining Personal Leave Time in an Employee’s individual bank may be carried over until a maximum of 850 hours has been accumulated. (Amended 1/1/09)

14.11 Selling Back Personal Leave Time – In any calendar year, an Employee may elect to sell back not more than the greater of (a) one-third of the hours then available in the employee’s Personal Leave Time bank of (b) the same number of hours as the minimum number of the hours the employee is required to take during the current payroll year. This election may be made no more than two times during the year so long as the maximum available for sale during that year is not exceeded.

All Personal Leave Time hours sold back will be at a rate equal to 100% of the Employee's current regular straight-time hourly rate. (Amended 2-1-06)

14.12 Personal Leave Time Upon Retirement, Termination or Death – All Personal Leave Time remaining in an Employee's Personal Leave Time bank and any Personal Leave Time accrued will be paid at a rate equal to 100% of the Employee's current regular straight-time hourly rate when Employee, resigns, or is terminated or laid off by the Employer. Upon retirement, after five (5) years of continuous service, or in the event of the death of an Employee, this benefit will be paid as designated by the Employee, at 100% of the Employee's current regular straight-time hourly rate. (Amended 2-1-06)

14.13 Personal Leave Time Credits – Personal Leave Time credits shall not accrue while an Employee is receiving or eligible to receive insurance benefits under the Employer's Long-Term Disability Insurance Plan or Workman's Compensation over thirteen (13) weeks in duration. (Amended 2-1-98)

14.14 (Deleted 2-1-98)

14.15 Supplemental Personal Leave Bank – The Supplemental Personal Leave Bank Time may be used for major illness or at a maximum of eighty (80) hours per year per the criteria in 14.3, 14.4, 14.5, 14.6 and 14.7. An employee may elect to sell back Supplemental Leave Time hours at a rate equal to one hundred percent (100%) of the Employee's current regular straight-time hourly rate. Provided, however, that an Employee shall not be allowed to sell back Supplemental Personal Leave Time more than two times in any calendar year. Upon retirement, after five (5) years of continuous service, or in the event of death of an Employee, this benefit will be paid as designated by the Employee, at 100% of the Employee's current regular straight-time hourly rate. In the event of death of an Employee, this benefit will be paid as designated by the Employee. (Amended 2-1-06)

14.16 (Deleted 2-1-95)

14.17 (Deleted 2-1-95)

14.18 Employees shall be allowed to put any accrued Paid Leave Time (Articles 14.10, 14.11, 14.12 and 14.15) into their 401(k) accounts, subject to applicable IRS guidelines and the applicable 401(k) plan guidelines. (Added 2-1-06)

ARTICLE XV
SICK LEAVE

(Deleted 2-1-92 – See Article XIV)

ARTICLE XVI
LEAVES OF ABSENCE

16.1 “Leaves of Absence” and “Leaves” signify approved absence with or without pay. A leave shall commence on and include the first workday on which an Employee is absent and shall terminate with and include the workday next preceding the day on which the Employee returns to work. The Employee’s status as a regular Employee shall not be impaired by a leave of absence and the conditions of the leave shall be governed by the provisions herein applicable to the type of leave granted.

16.2 Leaves of absence without pay or fringe benefits up to twelve (12) months for urgent, substantial personal reasons acceptable to the Employer, (including funeral leave for deaths of persons other than those named in 15.2 above or for such named persons in event Employee has no unused sick leave credits or desires leave without pay in lieu of sick leave), may be granted to regular Employees, provided Employer can make adequate arrangements to take care of the Employee’s duties without undue interference with the normal routine of work, under the conditions listed below. Leaves of duration not exceeding five (5) working days shall not cause interruption of seniority or accrual or payment of fringe benefits.

1. The purpose for which the leave is granted will not lead to the Employee’s resignation.
2. The Employee shall be reinstated to the Employee’s former classification and headquarters upon returning from an authorized leave.
3. Except as otherwise provided herein, an Employee’s seniority shall not accrue while he or she is on leave without pay.
4. If an Employee fails to return immediately upon the expiration of the leave of absence, or if Employee accepts other employment while on leave, or if Employee makes application for unemployment benefits while on leave, Employee shall thereby forfeit the leave of absence and terminate Employee’s employment with the Employer.

16.3 A leave of absence shall be granted to Employees who enter the Armed Forces of the United States, provided, however, that any such leave of absence and the reinstatement of any such Employee shall be subject to the terms of any Act of Congress which provides for re-employment.

16.4 Leaves of absence for maternity needs of an Employee will be granted on the same basis as leaves required for any other non-industrial sick disability absence.

16.5 Employees shall be allowed time off with pay to serve as jurors, however, any compensation, exclusive of mileage allowance, shall be deducted from an Employee’s regular pay. If an Employee is able to work for four (4) or more of Employee’s regular hours upon being released from jury duty, Employee shall report to work after such dismissal.

16.6 At the request of the Union, the Employer shall grant an Employee a leave of absence, not to exceed one (1) year, in order to attend to Union business. During the Employee’s leave on

Union business, the Employee's Article 4 seniority (continuous service) shall accrue and shall not be broken. (Added 2-1-06)

ARTICLE XVII
RESOLVING GRIEVANCES

17.1 Any matter may be resolved through this grievance procedure by mutual consent, but without such mutual consent, grievances are limited to those which claim that a specific section or provision of this Agreement has been violated, misinterpreted, or misapplied.

17.2 The initial step in the adjustment of any grievance shall be a discussion between the aggrieved Employee or Employees's Union Steward and the immediate Supervisor involved. Notification of such grievance by the Employee or Union Steward must be made to the immediate supervisor within ten (10) workdays after the grievance occurs or is first known to grievant. Any Employee adjusting their own grievance shall do so consistent with the terms of this Agreement. The Union Steward shall be given the opportunity to be present at any such adjustment.

17.3 In the event the grievance is not resolved at the initial step, the aggrieved Employee or the Union's Business Representative may refer the issue, in writing, to the Manager. The parties shall have ten (10) working days to attempt to resolve the matter by further discussion. If the issue is not resolved in this manner, the grievance may be referred to arbitration by either party. The time limits in the Article may be extended by mutual agreement.

ARTICLE XVIII
ARBITRATION

18.1 The parties desire to avoid arbitration and shall make every effort to resolve grievances during future negotiations or in other ways. If necessary, the parties shall choose an arbitrator or select one from a panel to be submitted by the Federal Mediation and Conciliation Service if they cannot mutually agree upon one. Any request for arbitration must be made within thirty (30) calendar days after the grievance was first filed unless such time is extended by mutual agreement.

The arbitrator shall have no power to change this Agreement nor add to any of the terms or conditions negotiated by the parties. The function of the arbitrator is to find the facts and to apply the express terms of this Agreement to those facts. Each party shall pay half the fee and expense of the arbitrator. All other costs and expenses shall be borne by the party incurring them.

ARTICLE XIX
SAFETY

19.1 Safety is a matter of primary concern to the Employer, the Employee and the Union. The Union shall cooperate in promoting the realization of the responsibility of the individual Employee with regard to the prevention of accidents.

19.2 The Employer reserves the right to issue reasonable safety rules for Employees and to require the compliance with such rules. A copy of the rules will be posted and furnished to the Union. Failure to comply with reasonable safety rules that may be posted by the Employer from time to time or failure to use and care for safety equipment by an Employee is a safety hazard for all and may result in discipline or discharge, depending on the seriousness and/or repetition of the violation or failure.

19.3 The Employer will recognize a Joint Safety Committee whose responsibility it will be to work with the Employer to assist the Employer in promoting safe and healthful conditions for all Employees. The Committee will consist of 4 members, two (2) from Union (one from the physical unit and one from the clerical unit) and two (2) from management. The manager shall make all appointments. The Union side of the Committee will be selected from a list of nominees supplied by the Union. The Committee will serve for a period of one year. The Committee may make recommendations to the Employer, with a copy sent to the Union representative but it shall not function as a Grievance Committee. (Amended 2/1/91)

19.4 The Employer will promptly notify the Joint Safety Committee of any accident resulting in death or serious injury to an Employee. (Amended 2/1/91)

19.5 At the request of either the Employer or the Union, any accident of a serious nature shall be investigated by the Joint Safety Committee.

19.6 Upon the request of the Joint Safety Committee or the Manager of the Employer, such parties will meet at such times and places as may be mutually agreed upon. At such meetings, the Safety Committee may submit suggestions to Employer concerning the revision and enforcement of safety rules. In any event, the Joint Safety Committee shall meet at least quarterly at mutually agreed to times. (amended 2/1/06)

ARTICLE XX **SAVINGS CLAUSE**

20.1 In the event any portion of this Agreement is invalidated by legislation or an award by a court of competent jurisdiction, such invalidation shall apply only to those portions thus invalidated and all remaining portions of this Agreement not invalidated shall remain in full force and effect.

ARTICLE XXI **EMPLOYEE BENEFIT PROGRAMS**

21.1 Group insurance plans presently in effect shall remain in full force and effect through December 31, 2011; except as provided below, at the following Employee monthly participation

levels in relation ship to the individual Employee's respective monthly premium (pre-tax payroll deduction):

2012: 10% of monthly premium costs.

2013: 10% of monthly premium costs.

2014: 10% of monthly premium costs.

Company agrees to fund the HRA at the 1500/3000 level for 2012.

(Amended 1-1-2012)

If projected premium increases exceed 12% in any one year, the parties agree to meet in good faith to negotiate mutually agreeable changes to the plan to reduce the cost increases. (Amended 1/1/09)

401k match; Company to increase matching 401k contributions from the current \$.50 on each \$1.00 up to a maximum of 3% employee contribution to \$.50 on each \$1.00 up to a maximum of 4% employee contribution. i.e. if employee contributes 4% the Company will match 2%.

(Added 1-1-12)

The savings plan programs presently in effect shall remain in full force and effect for the life of the agreement.

All plan summaries will be kept in the Employer's office and furnished to Employees and to the Union.

21.2 The Employer may unilaterally make such changes, additions or deletions which are mutually beneficial. However, before such changes, additions or deletions are made, notification in writing shall be made to the Union describing such contemplated changes, additions or deletions.

21.3 (Deleted 1-1-2009)

ARTICLE XXII **INCLEMENT WEATHER PRACTICE**

22.1 Regular and probationary Employees who are unable to work in the field because of inclement weather shall receive pay for the full day, provided they have reported for such duty. However, they may be held pending emergency calls and may be given first aid, safety or other instructions required to perform work assigned by supervisor which can be reasonably performed under existing weather conditions, in line with criteria set forth in 22.2 below.

22.2 The Employer's authorized representative in charge of the crew shall be responsible for determining whether weather conditions warrant cessation of outside work. In arriving at a

decision with respect to weather conditions, the Superintendent and Foreman shall take into account such factors as, but not limited to:

Employee's safety, operating requirements, undue hazards, service to the members, job site working conditions, anticipated duration of time required to leave unfinished job in a safe condition, anticipated duration of inclement weather, distance from job site to operating headquarters, or any other pertinent factors which, in their opinion, should be taken into account in reaching a decision relative to stopping or continuing work.

ARTICLE XXIII
SCOPE OF AGREEMENT

23.1 The parties to this Agreement agree that they have had full opportunity to discuss any and all mutual problems during negotiations they do, therefore, mutually waive the right to negotiate on any further subject during the term of this Agreement without specific written consent of both parties.

ARTICLE XXIV
TERM OF AGREEMENT

24.1 This Agreement shall be effective on January 1, 2012 and shall continue in effect to and including December 31, 2014 and thereafter from year to year unless or until the Company or the Union serves written notice not more than ninety (90) days nor less than sixty (60) days, that it desires to terminate this Agreement. Further bargaining on a succeeding contract or additional matters may be requested not more than ninety (90) days nor less than sixty (60) days prior to expiration date.

**MT. WHEELER POWER, INC.
PHYSICAL AGREEMENT**

Term: January 1, 2012 through December 31, 2014

MT. WHEELER POWER, INC.

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

**BY: _____
Randy Ewell, General Manager**

**BY: _____
Mitch McVicars**

**BY: _____
Jerald Anderson, Board President**

**BY: _____
Mike Venturino**

**By: _____
Randy Osborn, Business Representative**

**By: _____
Tom Dalzell, Business Manager**

EXHIBIT A
JOB CLASSIFICATIONS AND JOB DESCRIPTIONS

LINE WORKING FOREMAN

An employee engaged in performing all classes of overhead and underground transmission and distribution line work and construction, erection and maintenance of substations, having full charge of and directing entire crew. Must be a Journeyman Lineman with not less than two (2) years of experience as such. May at times be required to drive and operate a line truck or aerial bucket and operate the fixed and attached equipment. Responsible for keeping accurate time cards and material records. Must insist on use of required safety equipment and enforce safety rules. Performs such other bargaining unit work as assigned.

LINEMAN

An employee who is a Journeyman and who performs all classes of overhead and underground transmission and distribution line work and construction, erection and maintenance of substations; and who is qualified by training and knowledge of underground circuits, substations, and apparatus to test, maintain and install duct line, cable, conduits, risers, employer owned customer equipment, substation equipment and circuits, meter loops, services and system electrical apparatus. Will make connections to underground circuits and substation feeder installations as well as making underground connections on customer services. May be required to read meters for any purpose and will be expected to check meter numbers to the records, record meter readings on forms as required, observe and report any unusual or abnormal consumption's or conditions of meters or metering equipment, complete any and all forms as may be required to record changes. In addition, Employee may be required to do routing collecting of accounts; reports and complete such forms as may be necessary to record the results of customer contacts made for collection purposes.

Background of apprenticeship training and experience must be such as to qualify him to perform these duties with skill and efficiency. A Lineman may be assigned to work apart from a regular crew, as a member of a two or three-man unit without supervision, doing work which shall include all of the above duties as well as:

1. Framing poles.
2. Preassembling material.
3. Patrolling and inspecting pole and tower lines.
4. Testing and inspecting poles.
5. Repairing risers and ground moldings.
6. Pulling slack in anchor guys.
7. Replacing guy guards.
8. Splicing and terminating underground cables.
9. Answering trouble calls.
10. Replacing line and equipment fuses.
11. Minor maintenance to operating switches, oil circuit reclosers, oil circuit breakers, and any and all other equipment associated with the system.

12. Installing employer-owned customer lighting service equipment and street light fixtures including making connections on circuits.
13. Installing all types of consumer services, complete with setting self-contained and instrument rated meters.
14. Responsible for time cards and material accounting associated with the above.

Using special design lift equipment, or an aerial bucket, a lineman may work apart from a crew as a two-man unit, without supervision, doing work which shall include:

1. Setting and replacing service poles.
2. Setting street light poles and outdoor lighting service poles.
3. Washing insulators on lines energized up to 70kV.
4. Performs such other work as assigned.

APPRENTICE LINEMAN

An Employee who is engaged in performing work as an assistant to or under the general direction of a Lineman while training for Journeyman. In order to gain experience for advancement, Employee may be required to work alone or under direct supervision on jobs for which he has been trained and instructed. The Employee's education and general qualifications must be such that Employee is considered capable of attaining Journeyman status. The Employee shall be willing to study in books provided by the Employer, attend special schools, and pass written and oral examinations. Performs such other bargaining unit work as assigned.

Apprentices will be tested each six (6) months of apprenticeship period and given an opportunity to take a Journeyman test upon completion of thirty-six (36) months in the apprenticeship period. After apprentices pass the Journeyman examination, they will immediately be promoted to Journeyman if a vacancy exists. If no Journeyman vacancy exists, they will be advanced to the forty-two (42) month step of wage progression where they will remain until completion of forty-eight (48) months of apprenticeship, at which time Employee's rate of pay will be increased to 97% of the Journeyman rate, which rate shall continue until a vacancy exists.

MECHANIC

An Employee who is qualified and regularly engaged in performing all types of automotive and motor vehicle maintenance, including maintenance of tractors and diesel equipment and compressors. Employee shall do mechanical and electrical repairs, tune-ups and adjustments, body and fender work and incidental welding or brazing in connection with the above. Employee may be required to do all types of automotive service work including dispensing fuel, checking and dispensing oil, greasing, washing, cleaning, polishing, changing and repairing tires. In addition, Employee may be required to do other welding and brazing in connection with all types of electrical and mechanical equipment as well as maintain such equipment. Performs such other bargaining unit work as assigned.

METER TECHNICIAN (Amended 2/1/91)

An Employee who has served successfully Employee's apprenticeship for a Meterman. Must have the necessary knowledge to install, test and repair all electrical instruments, meters and metering equipment, current transformers and potential transformers and sufficient working knowledge of electricity to be able by the use of instruments, to determine power, volt amperes, power factor and reactive component in an electric circuit. Performs such other bargaining unit work as assigned.

SUBSTATION MAINTENANCE MAN

An employee who is qualified by training and knowledge to construct, erect and maintain substations. Must be qualified to install, maintain, test and repair substations, distribution equipment including but not limited to transformers, regulators, tap changing devices, circuit breakers, switchboards, portable generators, other rotary equipment and substations switching in accordance with Employer's tagging procedures.

An Employee who is qualified as a Journeyman Lineman.

Must be able to read circuit diagrams and schematics, lay out, assemble, install, test and maintain electrical fixtures, storage batteries, alarm and lighting systems, compressors, apparatus and wiring. May be required to perform work on protective relays, substation communications equipment, supervisory control, electronic metering and related equipment. The scope of Employee's duties shall include but not limited to performing all classes of work in connection with the above detailed qualifications. Employee may be required to perform many duties without direct supervision.

Employee shall be responsible for material and keeping of substation records. Employee performs such other bargaining unit work as assigned. (Added 8/1/87)

APPRENTICE SUBSTATION MAINTENANCEMAN

An Employee who is engaged in performing work as an assistant to or under the general direction of a Substation Maintenceman or while training for Substation Maintenceman. In order to gain experience for advancement, the Employee may be required to work alone or under direct supervision on jobs for which Employee has been trained and instructed. The employee shall be willing to study in books provided by the Employer, attend special schools, and pass written and oral examinations. Performs such other bargaining unit work as assigned.

WAREHOUSEMAN I

An Employee who is in charge of material storage and disbursement facility and as directed assists in the purchasing function. Employee must keep records in accordance with REA procedures, conduct inventories, direct and perform work relating to receiving, checking, disbursing and salvaging materials. Performs such other bargaining unit work as assigned.

EQUIPMENT OPERATOR

An employee qualified on the basis of performance to operate any of the trucks, diggers, bucket trucks and other heavy equipment owned by the Employer. Performs such other bargaining unit work and activities as required or assigned.

HELPER

Must have sufficient knowledge and adaptability to understand and carry on duties as assigned; must be semi-skilled laborer, capable of handling ordinary tools safely in accordance with Employer safety rules; assist skilled workman or apprentice or work under their direction at various classes of work which may be assigned in any location. Performs such other bargaining unit work as assigned.

JOB CLASSIFICATION AND HOURLY WAGE RATES

Rate of pay effective		1/1/2012	1/1/2013	1/1/2014
		3%	2.5%	2%
<u>Line Working Foreman</u>				
		\$ 40.57	\$ 41.59	\$ 42.42
<u>Meter Tech/Substation Mtnce.</u>				
		\$ 38.98	\$ 39.95	\$ 40.75
<u>Lineman</u>				
		\$ 38.45	\$ 39.42	\$ 40.20
<u>Appr. Lineman/Appr. Substation Mtnce.</u>				
Start		\$ 27.26	\$ 27.94	\$ 28.50
6 Mo		\$ 28.00	\$ 28.70	\$ 29.28
12Mo		\$ 28.87	\$ 29.59	\$ 30.19
18 Mo		\$ 30.18	\$ 30.94	\$ 31.56
24 Mo		\$ 31.79	\$ 32.59	\$ 33.24
30 Mo		\$ 33.14	\$ 33.96	\$ 34.64
36 Mo		\$ 34.51	\$ 35.38	\$ 36.09
42 Mo		\$ 35.86	\$ 36.76	\$ 37.49
48 Mo		\$ 37.04	\$ 37.97	\$ 38.73
<u>Mechanic</u>				
		\$ 34.50	\$ 35.37	\$ 36.07
<u>Warehouseman</u>				
Start		\$ 26.01	\$ 26.66	\$ 27.19
6 Mo		\$ 27.52	\$ 28.20	\$ 28.77
12Mo		\$ 28.49	\$ 29.20	\$ 29.79
18 Mo		\$ 30.20	\$ 30.96	\$ 31.58
24 Mo		\$ 33.36	\$ 34.19	\$ 34.87
30 Mo		\$ 34.50	\$ 35.37	\$ 36.07

Equipment Operator				
Start		\$ 23.72	\$ 24.31	\$ 24.80
6 Mo		\$ 26.18	\$ 26.84	\$ 27.38
12Mo		\$ 26.98	\$ 27.66	\$ 28.21
18 Mo		\$ 28.83	\$ 29.55	\$ 30.14
24 Mo		\$ 31.93	\$ 32.73	\$ 33.38
Helper				
Start		\$ 19.33	\$ 19.81	\$ 20.20
6 Mo		\$ 21.77	\$ 22.31	\$ 22.76
12Mo		\$ 23.35	\$ 23.93	\$ 24.41
18 Mo		\$ 24.85	\$ 25.47	\$ 25.98
24 Mo		\$ 26.18	\$ 26.84	\$ 27.38

Amended 1/1/2012