

OSMOSE UTILITIES SERVICE, INC.

AND

LOCAL UNION NO. 1245

AFL-CIO

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS

**POLE TREATMENT
AND
RESTORATION AGREEMENT**

EFFECTIVE JANUARY 1, 2013 THROUGH DECEMBER 31, 2017

AGREEMENT

This Outside Pole Treatment and Restoration Agreement is entered into by and between Osmose Utilities Service, Inc. (hereinafter referred to as the "Employer" or "Company") and Local Union 1245 of the International Brotherhood of Electrical Workers, AFL-CIO (hereinafter referred to as the "Union").

Now, therefore, in consideration of the mutual promises and agreements herein contained, the parties hereto agree as follows:

PREAMBLE

For the purposes of collective bargaining with respect to rates of pay, wages, hours, and other conditions of employment, the Company recognizes the Union as the exclusive representative of those employees who are employed by the Company performing work covered under the Scope of this Agreement.

ARTICLE I **SCOPE OF WORK**

1:1 Groundline evaluations, treatment, restoration and minor repair (to GO 95 guidelines) of standing wood utility poles on properties of Pacific Gas and Electric Company distribution and transmission systems owned or maintained. This work shall be done by skilled personnel that have been formally trained in this specific field. The work will include the strength repair designated reject poles using various generic mechanical products. Minor repair would include the replacement of defective or missing designated items such as guy guards, molding, pole numbers, high voltage signs, etc.

ARTICLE II **MANAGEMENT RIGHTS**

2:1 The Union understands the Employer is responsible to perform the work required by the owner. The Employer shall therefore have no restrictions, except those specifically provided for in the Collective Bargaining Agreement in planning, directing, and controlling the operation of all his work, in deciding the number and kind of employees to properly perform the work, in hiring and laying off employees, in transferring employees from job-to-job within the Local Union's geographical jurisdiction, in determining the need and number as well as the person who will act as Foreman or Senior Technician, in requiring all employees to observe the Employer's and/or owner's rules and regulations not inconsistent with the Agreement, in requiring all employees to observe all safety regulations and in discharging employees for proper cause.

The Employer retains the exclusive right to select individuals for the prescribed on-the-job training program, which includes written and oral testing to the Employer's satisfaction.

ARTICLE III
TERM OF AGREEMENT

3:1 This Agreement shall take effect January 1, 2013 and shall remain in effect until December 31, 2017.

3:2 Changes:

- (a) Either party desiring to change or terminate this Agreement must notify the other in writing at least 180 days prior to the anniversary date. Negotiations shall start no later than July 15, 2017.
- (b) Whenever, notice is given for changes, the nature of the changes must be specified in the notice.

3:3 Favored Nations: The Union agrees that if, during the life of this Agreement, it grants to any other Employer on work covered by this Agreement any better terms or conditions than those set forth in this Agreement, or any other Agreement for this scope of work, such better terms and/or conditions shall be made available to the Employer under this Agreement and the Union shall immediately notify the Employer of any such concession.

ARTICLE IV
EMPLOYER RIGHTS – UNION RIGHTS

4:1 CONTRACTOR QUALIFICATIONS: Certain qualifications, knowledge, experience and financial responsibility are required of everyone desiring to be an Employer in the Utility Industry. An Employer who contracts for utility work is a firm (sole Proprietorship, partnership or corporation) whose principal business is that of UTILITY CONTRACTING, having these qualifications, and maintaining a permanent place of business, and a suitable financial status to meet payroll requirements. The Employer's place of business shall be manned during the regular working hours or have connected thereto a telephone answering service.

LICENSE: Members of the Union, except those meeting the requirement of "Employer" as defined herein, shall not contract for any electrical work. Any member of the I.B.E.W. possessing any valid state contractors' license while subject to employment under terms of this Agreement shall maintain same on an inactive status.

4:2 STEWARD: Stewards may be appointed for all shops and sites and the Union shall notify the Employer, in writing, the name of any Steward so appointed. Stewards may be appointed by, may be removed by, are subject to the authority of and shall report to the Business Manager. Employers have the right to discharge a Steward but discharge shall not take place until after the Business Manager has been given forty-eight (48) hours notice, which shall be confirmed in writing. Disagreement on layoff shall be subjected to the grievance provision of this Agreement.

4:3 UNION REMOVAL: This Agreement does not deny the right of the Union or its representative to render assistance to Trust Funds of this Agreement by removal of its members from jobs when necessary and when the Union or its proper representative decide to do so, but no removal shall take place until forty eight (48) hours written notice, excluding Saturday and Sunday, is first given to the Employer involved.

4:4 CANCELLATION: Local Union 1245 is a part of the International Brotherhood of Electrical Workers and any violation or annulment, of the Agreement of this, or any other Local Union of the, International Brotherhood of Electrical Workers by the Employer will be determined by the, International Office of the Union. The Employer further agrees that he will not sublet, assign, or transfer any work covered by this Agreement to any other person, firm or corporation if such subletting, assigning or transfer will cause the loss of work opportunities to employees in the Employer's establishment covered by this Agreement. Any such subletting, assigning or transfer shall be allowable after a mutual determination, has been made by, the representatives of the parties hereto that such action is not in conflict with the preceding sentence.

4:5 EQUIPMENT SIGNS: All Employer equipment using public streets and driven by workmen under the terms of this Agreement shall bear permanent identifications signs, seals, decals, or stickers in an area visible from the outside of the said equipment. These signs shall not be magnetic.

4:6 AGREEMENT CHANGES: This Agreement shall be subject to change or supplement at any time by mutual consent of the parties hereto. Any such change or supplement agreed upon shall be reduced to writing, signed by the parties hereto, and submitted to the International Office of the IBEW for approval the same as this Agreement.

4:7 STRIKE OR WORK STOPPAGE: There shall be no stoppage of work either by strike or lockout because of any matters relating to this Agreement. All such matters must be handled as stated herein.

4:8 UNION SECURITY: On the thirty-first day following the effective date of this Section of the Agreement or on the thirty-first day following the beginning of employment with the Employer, whichever is later, membership in the Union shall be required with each employee in the bargaining unit as a condition of employment subject to the provisions of Section 8 (a) (3) of the Labor-Management Relations Act, 1947, as amended. This provision shall be operative in the States in which such provision is permitted by State Law

4:9 DUES DEDUCTION: The Employer agrees to deduct and forward to the Financial Secretary of the Local Union upon receipt of a voluntary written authorization, the additional working dues from the pay of each I.B.E.W. member. The amount to be deducted shall be the amount specified in the approved Local Union bylaws. Such amount shall be certified to the Employer by the Local Union upon request by the Employer.

4:10 HARMLESS: The Union agrees to save the Employer harmless from any action growing out of these deductions and commenced by any employee against the Employer and assumes full responsibility for the disposition of the funds so deducted once they have been turned over to the Financial Secretary of the Union.

The employer agrees to furnish new employees with union package, provided by the union. The employer will notify the union within 30 days of hire, the names and addresses of these new employees.

4:11 DUES DEDUCTION AUTHORIZATION:

AUTHORIZATION: I hereby authorize and direct the Employer to deduct from my pay Union membership initiation fee, dues and additional working dues in the amounts fixed in accordance with By Laws of Local Union 1245 and the constitution of the International Brotherhood of Electrical Workers and pay the same to said Local Union in accordance with the terms of the bargaining agreement between the Employers and the Union.

This authorization shall be irrevocable for a period of one year from the date hereof or until the termination date of said Agreement, whichever occurs sooner; and I agree that this authorization shall be automatically renewed and irrevocable for successive periods of one year unless revoked by written notice to you and Union ten days prior to the expiration of each one year period or of each applicable bargaining agreement between the Employer and the Union, whichever occurs sooner.

Signature: _____

Dept.: _____

ARTICLE V
HOURS – WAGES – WORKING CONDITIONS

5:1 HOURS AND OVERTIME:

- (a) Five (5) consecutive eight (8) hours days may be worked between 5:00 a.m. and 5:30 p.m. Monday through Friday with thirty (30) minutes for a lunch period shall constitute a workday. The lunch period shall be between the hours of 11:00 a.m. and 1:30 p.m. The employer may schedule Saturday as a make-up day unless the employee obtains permission to be absent in advance.
- (b) Four (4) consecutive ten (10) hour days may be worked at the straight time hourly rate; Monday through Thursday. The employer may schedule Friday and/or Saturday as a make-up day unless the employee obtains permission to be absent in advance. The application of this ten (10) hour work week must be mutually approved by the Union and the Employer prior to implementation. In addition, any variations in starting times of the actual days worked by are agreed upon by the Union and the Employer prior to implementation.
- (c) All overtime work is defined as any work performed outside normal work hours or in excess of a 40 hour work week and shall be paid at one and one half (1 ½) times the regular rate of pay.

5:2 HOLIDAY: The following will be listed as holidays and will be paid 8 hours the straight-time rate of pay: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and the day after Thanksgiving, and Christmas Day and all Holidays observed by the customers that restrict employees from work.

If an employee works on one of the above holidays, the pay rate will be one and one-half (1-1/2) times the straight-time rate of pay for hours worked, in addition to the eight (8) hours of holiday pay.

5:3 LABOR DAY: No work shall be performed on Labor Day except to protect life or property.

5:4 VACATION: After one (1) year of Company service, all Foremen, Foremen Trainees and Senior Technicians shall be entitled to the equivalent of one week's paid vacation per year, two weeks paid vacation after three (3) years of service, and three weeks after six (6) years of service with no break in service longer than ninety days.

Vacation time is earned only upon completion of a year of service and is not vested for a partial year during that first year of employment.

5:5 Personal Leave: Effective January 1, 2008, upon completion of one year of service and each anniversary date thereafter, Treatment and Restoration Technicians will be eligible for three days of personal leave. The leave must be used within the following 12 months or it will be forfeited. The employee must request use of the leave at least (7) days in advance and is subject to approval from the employer.

5:6 (a) Jury Duty: Any employee who may be called for jury duty shall be permitted to be absent with pay for maximum up to two weeks, in any twelve-month period. (Payments made by the court for jury service will be subtracted from this amount.)

(b) **Funeral Leave:** Any employee who is called upon to be absent from duty due to a death in his/her immediate family shall be excused, without loss of regular pay, for a reasonable time, not to exceed three days, in order to permit him/her to make arrangements for and to attend the funeral. "Immediate Family" as used in the paragraph, means the employee's father, mother, son, daughter, brother, sister, husband, wife, grandmother, grandfather, current mother-in-law and current father-in-law.

5:7 REPORT TIME: Company shall give two (2) hour notice prior to start time to cancel a regularly scheduled work day for inclement weather. Only a Company Supervisor will determine when weather is considered inclement. All employees must contact their supervisor to request approval to shut down operations. Employees reporting to the job or at the headquarters shall be paid the minimum of two (2) hours work. Employees shall be required to remain available and perform such work as may be assigned to them. Employees shall not be required to remain available for a longer period of time without being paid for the extended time.

5:8 COMPREHENSIVE LIST: The Company shall furnish the Union with a comprehensive listing of all Pole treatment and Restoration Supervisors by geographical area. This listing shall include the Supervisors Company contact telephone numbers including cellular. Company shall update the Union on any changes of Supervisor's phone numbers.

At the Unions request Company Supervisors shall provide the Union with current work locations of those employees working in their geographical areas. The union agrees to contact local supervision before visiting assembly locations during working hours.

5:9 COMMUTE TIME: Foremen, Trainees and Technicians are expected to report to the job site at an appointed time and be prepared to begin work at that time. The job site is normally considered to be the first pole to be worked on that day. Although the Company does not provide transportation to commute to and from the job site, as a convenience, employees may be allowed to ride in the company vehicle to and from the job site. Employees are not compensated for commute travel time to and from the job site.

Employees are not required to commute to and from the job site in a company vehicle. Technicians must be allowed to use their personal vehicles to commute, and to be given the option to meet the crew at the job site each workday.

If a Foreman elects to use a personal vehicle to commute, the job supervision will locate a secure location to park the company truck and establish a job site where the crew meets each morning, in these cases the work would start at these locations.

Foreman to Technicians will not be compensated for commute costs (gas or mileage) for a personal vehicle unless the Company asks them to use their personal vehicle for company benefit.

5:10 EXPENSES: A reasonable meal is to be provided by Employer two (2) hours past normal quitting time and every four (4), no more than five (5) hours thereafter until conclusion of overtime.

5:11 PAYMENT OF WAGES: Employees may elect to have their paycheck directly deposited into a bank account, or mailed (using the United States Postal Service) to them. All direct deposits will be placed electronically to the employee’s bank no later than Thursday (for the prior week’s work) and for employees that do not desire direct deposit, a good faith effort will be made to put paychecks in the mail by Wednesday (for the prior week’s work). Both method of payment are designed for the Friday payday.

WAGE RATES: The following minimum wage rates shall be applicable for the term of this Agreement:

Classification	1/1/2013	1/1/2014	1/1/2015	1/1/2016	1/1/2017
	1%	3%	4%	*	**
Pole Restoration Foreman (Working)	\$26.11	\$26.90	\$27.97	TBD	TBD
Pole Treatment Foreman (Working)	\$23.33	\$24.03	\$24.99	TBD	TBD
Senior Technician	\$16.89	\$17.39	\$18.09	TBD	TBD
Treatment Foreman/Trainee	\$15.28	\$15.74	\$16.37	TBD	TBD
Treatment & Restoration Technician					
First 6 mos.	\$13.07	\$13.46	\$14.00	TBD	TBD
After 6 mos.	\$13.38	\$13.78	\$14.33	TBD	TBD

*Effective January 1, 2016, the wage rates that were in effect on August 2, 2015 will be increased based upon the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as published by the U.S. Bureau of Labor Statistics, for the twelve month period ending June of 2016 for the San Francisco-Oakland-San Jose local area (Table 4). However, the wage increase to be effective January 1, 2016 shall be no less than one percent (1%), nor more than three percent (3%) of the wage rates that were effective on August 2, 2015.

**Effective January 1, 2017, the wage rates that were in effect on July 31, 2016 will be increased based upon the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as published by the U.S. Bureau of Labor Statistics, for the twelve month period ending June of 2017 for the San Francisco-Oakland-San Jose local area (Table 4). However, the wage increase to be effective January 1, 2017 shall be no less than one percent (1%), nor more than three percent (3%) of the wage rates that were effective on January 1, 2016.

Should the U.S. Bureau of Labor Statistic discontinue publishing or change the CPI-U index referenced above, the parties shall meet to negotiate a substitute index.

Assembly Point Transfer: All employees will receive a daily living allowance of twenty-five dollars (\$25.00) for each day worked. This allowance is applicable when a minimum of four (4) hours or more have been worked and a new assembly point is established, which is excess of sixty (60) road miles from previously assigned assembly point.

All employees will receive a daily living allowance of thirty five dollars (\$35.00) for each day worked when assigned to a new assembly point which is in excess of one hundred (100) road miles, from previously assigned assembly point.

This living allowance will be provided for a maximum of two (2) months in one location. After two (2) months in one location, this location will become your new assigned assembly point.

Effective March of 2008 Foremen, Foremen Trainees and Senior Technicians will receive a daily living allowance of \$35.00 for each day worked. Effective March of 2008 Treatment and Restoration Technicians will receive a daily living allowance of \$25.00 for each day worked. This allowance is applicable when a minimum of four (4) hours or more have been worked and is assigned to a work location which is in excess of 60 road miles, or 1½ hour commute time, from their point of hire (home base). This living allowance will be provided for a maximum of 5 months in any one location. After 5 months in one location, this location will become your new home base.

The employee will not be eligible for a daily living allowance in cases where: 1) the Employer directly pays the cost of lodging (one person per bed), 2) If the company offers and the an employee voluntarily accepts the use of a company vehicle, or 3) when the employee chooses to commute and not stay away from home.

5:12 POLE TREATMENT FOREMAN (WORKING): An employee who is in charge of not more than five men, including himself or herself, (when assisted by a maximum of two Senior Technicians, three additional Technicians may be added per Senior Technician) engaged in the inspection and treatment of standing wood utility poles. He or she has been formally trained on-the-job by the Employer and has demonstrated his or her knowledge in the evaluation of wood poles to GO 95 Guidelines and application of remedial preservatives.

5:13 POLE RESTORATION FOREMAN (WORKING): An employee who is in charge of not more than five (5) men, including himself or herself, engaged in the evaluation, preservative treatment and mechanical restoration of Sub-GO 95 wood poles.

5:14 FOREMAN/TRAINEES: An Employee who is training on-the-job under a Pole Treatment Foreman or Pole Restoration Foreman for a specified amount of time, normally six (6) to ten (10) weeks. A Foreman/Trainee shall demonstrate reasonable progress and proficiency during his or her training to continue in that capacity. It is understood that in addition to the on-the-job training, a Foreman/Trainee is required to study Employer technical procedures on his or her own time. Testing on Company procedures is a basic element of the training program.

5:15 TECHNICIAN: An Employee who, under the supervision of a Foreman, is engaged in repetitive, unskilled work such as digging, back-filling, applying preservatives, etc.... which involves a variety of hand tools.

5:16 SENIOR TECHNICIAN: An employee, who will assist the Foreman in all aspects of the job, can effectively manage the crew in the Foreman's temporary absence. Must be able to survey/Inspect poles and lines, treat poles, and assist in the training of crew members when required. This position is not an automatic step in progression, and will be used at the Company's discretion.

ARTICLE VI **SAFETY AND WORKING RULES**

6:1 It is the Employer's exclusive responsibility to insure the safety of its employees and their compliance with these safety rules and standards.

- (a) A copy of the Employer's Safety Policy will be forwarded to the Local Union as soon as possible.
- (b) The Employer will furnish and keep in legal working order, all safety equipment necessary to perform the work covered under the scope of this Agreement.
- (c) Weekly, documented tailgate crew safety meetings of at least 15 minutes in duration will be mandatory. The Union is encouraged to attend these meetings during normal work hours.
- (d) In addition to the weekly safety meetings, a minimum of two formal style or supplemental training meetings will be conducted. These meetings may include quality control inspections with auditors, interactive computer courses, video classes, training conferences, etc. To be done during work hours.
- (e) Topics of all safety meetings will be appropriate and often times suggested by various supervisory and management personnel.

ARTICLE VII

7.1 HEALTH AND WELFARE: The parties' signatory hereto shall enter into a Health and Welfare Plan for which there is a Trust Agreement, known as the Line Construction Benefit Fund, for the purpose of providing insurance benefits for eligible employees and/or their dependents.

The Employer agrees to pay five dollars, (\$5.00) per hour for each hour worked by each employee covered by the terms of this Agreement to the Line Constructors Benefit Fund for the purpose of providing insurance benefits for eligible employees and/or their dependents. The Employer agrees to pay up to a maximum of twenty-five cents (\$.25) of any increases occurring between January 1, 2015 and December 31, 2017 with the wage rates set forth herein being reduced for the remainder of the increase.

Remittance shall be forwarded to the place designated by the parties hereto on or before the fifteenth (15th) day of each month for each hour worked in weekly payroll periods ending

during the preceding month, together with a monthly payroll report on a form to be furnished to the Employer.

It is understood and intended by the parties to this Agreement that the purpose of this clause is to establish an Employer financed Health and Welfare Trust and that contributions thereto shall not be deemed to be wages to which any employee shall have any right other than the right to have such contributions paid over to the Trust fund in accordance herewith.

Failure of an individual Employer to make all payments provided for, including liquidated damages for late payments, within the time specified, shall be a breach of this Agreement and will further require action by the Trustees as set forth in the Trust Agreement.

7:2 NATIONAL ELECTRICAL BENEFIT FUND (NEBF): It is agreed that in accord with the Employees Benefit Agreement of the National Electrical Benefit Fund (“NEBF”), as entered into between the National Electrical Construction Association and the International Brotherhood of Electrical Workers on September 3, 1946, as amended, and now delineated as the Restated Employees Benefit Agreement and Trust, that unless authorized otherwise by the NEBF, the individual employer will forward monthly to the NEBF’s designated local collection agent an amount equal to 3% of the gross monthly labor payroll paid to, or accrued by, the employees in this bargaining unit, and a completed payroll report prescribed by the NEBF. The payment shall be made by check or draft and shall constitute a debt due and owing to the NEBF on the last day of each calendar month, which may be recovered by suit initiated by the NEBF or its assignee. The payment and the payroll report shall be mailed to reach the office of the appropriate local collection agent not later than fifteen (15) calendar days following the end of each calendar month.

The individual employer hereby accepts, and agrees to be bound by, the Restated Employee Benefit Agreement and Trust.

An individual employer who fails to remit as provided above shall be additionally subject to having his agreement terminated upon seventy-two (72) hours notice in writing being served by the Union, provided the individual employer fails to show satisfactory proof that the required payments have been paid to the appropriate local collection agent.

The failure of an individual employer to comply with the applicable provisions of the Restated Employees Benefit Agreement and Trust shall also constitute a breach of his labor agreement.

7:3 NATIONAL ELECTRICAL ANNUITY PLAN: It is agreed that in accord with the IBEW-District Ten-NECA Individual Equity Retirement Plan agreement entered into between the National Electrical Contractors Association, Inc., and the International Brotherhood of Electrical Workers on December 11, 1973, as amended, and now delineated as the National Electrical Annuity Plan Agreement and Trust, that unless authorized otherwise by the National Electrical Annuity Plan (“NEAP”), the individual employer will forward monthly to NEAP’s designated collection agent an amount equal to sixty cents (\$.60) for each hour worked, together with a completed payroll report prescribed by the NEAP. The payment shall be made by check or draft and shall constitute a debt due and owing to NEAP on the last day of each calendar month, which may be recovered by suit initiated by NEAP or its assignee. The payment and the payroll report shall be mailed to reach NEAP not later than fifteen (15) calendar days

following the end of each calendar month. The individual employer hereby accepts, and agrees to be bound by, the National Electrical Annuity Plan Agreement and Trust.

An individual employer who fails to remit as provided above shall be additionally subject to having his/her agreement terminated upon seventy-two (72) hours notice in writing being served by the Union, provided the individual employer fails to show satisfactory proof that the required payments have been paid to the appropriate collection agent.

The failure of an individual employer to comply with the applicable provisions of the National Electrical Annuity Plan Agreement and Trust shall also constitute a breach of his/her labor agreement.

ARTICLE VIII **GRIEVANCES AND DISPUTES**

8:1 All grievances or questions in dispute shall be adjusted by the duly authorized representatives of each of the parties to this Agreement

8:2 GRIEVANCE PROCEDURE:

STEP ONE: A Grievance must be filed no later than five (5) days after the date of action complained of, or the date employee should have become aware of the incident which is the basis for the Grievance, whichever is later.

STEP TWO: All Grievances shall be presented orally or written by the aggrieved employee and a Shop Steward or a Union Business Representative to the aggrieved employee's immediate supervisor. Both parties shall put forth their best efforts to resolve the Grievance at this level within seventy-two (72) hours. If the Grievance is not resolved within seventy-two (72) hours of the oral discussion, Step Three shall be followed.

STEP THREE: In the event that the Grievance is not settled by the procedure in Step Two, the Union Business Representative shall, not later than ten (10) calendar days after the completion of Step Two, present the employer with the Grievance in written form, setting forth the following.

- (a) A statement of the Grievance and the facts upon which it is based.
- (b) The Section or Sections of the Agreement relied upon or claimed to have been violated.
- (c) The remedy or correction which, is desired.

In the event either party desires a meeting to discuss the Grievance, the parties shall meet within ten (10) calendar days from receipt of said Grievance for the purpose of discussing the Grievance. The party served with written notice of the Grievance shall within ten (10) calendar days after the aforementioned meeting, or in the event no meeting is held within ten (10) calendar days after the receipt of the Grievance, answer the Grievance in writing.

STEP FOUR: In the event the Grievance is not settled in Step Three, it shall be referred to the Labor-Management Committee.

All matters coming before the Labor-Management Committee shall be decided by a majority vote. The Committee shall be comprised of four (4) members, two (2) from Company and two (2) from Union.

Should the Labor-Management Committee fail to agree or to adjust any matter, such shall then be referred to arbitration.

STEP FIVE: An Arbitration Board shall be appointed on each occasion that a Grievance is submitted to arbitration. The Board shall be composed of three (3) members, one (1) to be appointed by Union, one (1) to be appointed by the Company. At the earliest convenience of the representatives after their appointment, they shall meet for the purpose of selecting the third member who will serve as Chairman of the Board. In the event the parties are unable to agree on a person to act as a third member (within five (5) working days), they shall jointly request the Director of Federal Mediation and Conciliation Service to submit a list of five (5) persons qualified to act as a third member.

The Board shall hold such hearings and shall consider such evidence as appears necessary and proper. The decision of a majority of the members of the Board shall be final and binding on Company and Union and the aggrieved employee, if any, provided that such decision does not in any way add to, disregard, or modify any provision of this Agreement.

The Company and the Union shall each bear the expense of its own representatives. The expense of the third party shall be borne equally by the Company and the Union.

Either party may call any employee as a witness in any proceeding before the Arbitration Board, or if the employee is on duty, the Company agrees to release such employee from duty so that he/she may appear as a witness. If an employee is called to appear before the Board, the party calling the witness will reimburse him/her for all expenses including the time lost.

ARTICLE IX **SAVINGS CLAUSE**

Should any provisions of this Agreement be declared illegal by a court of competent jurisdiction, such provisions shall immediately become null and void, leaving the remainder of the Agreement in full force and effect, and the parties shall, thereupon, seek to negotiate substitute provisions which are in conformity with the applicable laws.

ARTICLE X
DISADVANTAGED BUSINESS ENTERPRISE SUB-CONTRACTOR

10:1 In the event that there is a temporary and unexpected increase in forecasted work, and/or when work schedules are not being met; whereby it would not be possible for the Company to hire regular employees, or transfer other regular employees needed to perform said work, the Company may hire a DBE (Disadvantage Business Enterprise) to assist in the unforeseen work at hand. The Company shall maintain the right to subcontract to not exceed 30% within the recognized areas of this agreement. In no event shall this work lead to part timing or loss of full time employment for regular union employees. Union employees will have rights to optimum overtime. The Company shall keep the Union informed of all subcontracting to include name of Subcontracting Company and contact information. Not to extend beyond 90 days without written agreement of the Union.

ARTICLE XI

It is the policy of Company and Union not to discriminate against any employee because of race, creed, sex, age, religion, color, disability, sexual orientation, union membership and/or activities, veteran status or national origin, as defined in any applicable federal and/or state law.

IN WITNESS WHEREOF, the parties hereto by their duly authorized representatives have caused this Agreement to be executed this 14 day of December 2012.

OSMOSE UTILITIES SERVICE, INC.

**LOCAL UNION 1245
INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS,
AFL-CIO**

Jason Milligan
General Manager

Tom Dalzell
Business Manager

Date

Date