

COLLECTIVE BARGAINING AGREEMENT

WELLS RURAL ELECTRIC COOPERATIVE

AND

LOCAL UNION 1245

of the

INTERNATIONAL BROTHERHOOD
OF ELECTRICAL WORKERS, AFL-CIO

Effective dates 1/1/2013-----12/31/2016

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OUTSIDE FACILITIES UNIT

AGREEMENT

THIS AGREEMENT, made and entered into the First day of January, 2013 by and between WELLS RURAL ELECTRIC COMPANY hereinafter called "Employer" and LOCAL UNION NO. 1245 OF THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, AFL-CIO, hereinafter called "Union".

ARTICLE I

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 those Outside Facilities Unit employees for whom the National Labor Relations Board certified Union as such representative in Case No. 20-RC-14365.
- 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 limit the right of the Employer to determine the character, extent or methods of its operation.
- 1.3 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" or "employees" are used in the Agreement, they shall be construed to refer only to employees described in said Section 1.1 unless otherwise noted.
- 1.4 Neither the Union nor the Employer shall discriminate against any employee or prospective employee because of race, sex, color, creed, national origin, age or membership or non-membership in the Union.
- 1.5 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. Union will be charged a fee per each payroll deduction equal to the actual charges to process the deduction as determined and agreed to by Company and Union. (Amended 1/1/87)

ARTICLE II

NO INTERRUPTION OF SERVICE

- 2.1 (a) The Employer is engaged in rendering public utility services to the public. The Union, the employer and the employees recognize that there is an obligation on each party for the continuous rendition and availability of such services. (Amended 1/1/84)
- (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 public 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 an 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 his influence and best efforts to protect the properties of Employer and its service to the public and shall cooperate in promoting and advancing the welfare of the Employer and in preserving the continuity of its service to the public 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 120 calendar days of full-time continuous service with the Employer.
- 3.2 Temporary Employee: One hired by the day for occasional or seasonal work or for a limited 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 as 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 supervision. After 120 calendar days, 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, and shall not be eligible for any fringe benefits. (Amended 1/1/87)
- 3.6 The retention of temporary, part-time or probationary employees is at the sole discretion of the Employer and termination of employment of such employee 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 the predecessor employers (Wells Power Company and Wendover Light & Power Company). After an employee has completed his probationary period as outline in Article III (3.4) of this Agreement, an 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) days after the end of a layoff or leave of absence, upon retirement, upon discharge for cause, or for being off work for any reason other than sick 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 from within.
- 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 bulletin shall be dated and state the name of the headquarters and the vacancy that exists.
- 5.3 Any regular or probationary employee who desires consideration must notify the Department Head in writing within ten (10) workdays of the date of posting. Bid forms will be provided by the Employer to be filled out in triplicate by the bidder. (Amended 1/1/87)
- 5.4 Where qualified, available regular or probationary employees bid for a job opening and past performance and qualifications of bidders are relatively equal, the applicant with the greatest total length of continuous service, shall be awarded the job. (Amended 1/1/87)
- (a) In the event a qualified regular or probationary employee does not bid for the posted vacancy within the allotted ten (10) days provided by 5.3 above for employee bids, the Employer will be then free to fill the vacancy from any available source. (Amended 1/1/87)
- 5.5 A temporary appointment to a vacancy shall, if practicable, be given to the regular or probationary employee who would be awarded the vacancy on a permanent basis. (Amended 1/1/87)
- 5.6 When it becomes necessary to lay off 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 of 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 vacancy where in its judgment qualified employees are not available. Such judgment is subject to the grievance procedure.
- 5.8 The Company may expedite the filling of posted jobs by canvassing eligible

employees whether they desire to be considered for such jobs during or prior to the above posting and notification periods. (Amended 1/1/90)

ARTICLE VI

DISCHARGE AND SUSPENSION

(Amended 1/1/84)

- 6.1 The Company may discharge or discipline any employee for just and sufficient reasons. The Employer may discharge any employee if his 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, being under the influence of intoxicants or drugs during regular working hours, refusal to perform work for which he is qualified, gross insubordination, or negligence resulting in more than minor damage to Employer's property or equipment, or negligence which threatens the safety of himself or others. Warning notices shall be effective for twelve (12) months from the date of issue.
- 6.2 Any employee, who so requests, shall have the right to have a Union representative present at any meeting with supervisor which may result in disciplinary action. Any disciplinary action, demotion, suspension or termination shall be deemed final unless the employee or the Union files a timely grievance as provided in Article 17 below. (Amended 1/1/84)
- 6.3 (Deleted 1/1/82)
- 6.4 (Deleted 1/1/82)

ARTICLE VII

TEMPORARY OR PART-TIME EMPLOYEES

- 7.1 The employer reserves the right to hire temporary or part-time workers. Such employee(s) shall not be used in order to lay off currently working 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 are first offered the work available. (Amended 1/1/87)

- 7.2 The Employer reserves the right to determine the wage rates for temporary employees without restriction. (Amended 1/1/87)

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 definitions 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 covered by this Agreement shall be placed on an hourly rate of pay and shall be paid on a semi-monthly basis with payday by the third (3rd) and eighteenth (18th) of each month. If a payday falls on a holiday, payment shall be made on the work day immediately preceding.

- 8.3 (a) An employee who is temporarily assigned to work in a classification higher than his/her regular classification shall be paid for actual hours and portion of an hour worked after a minimum of one (1) hour at not less than the minimum rate established for the higher classification. (Amended 1/1/84)

(b) When an employee is temporarily assigned or reassigned to work in a classification lower than his regular classification, his 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, it will be retroactive to the date when the classification was first temporarily established.

- 8.5 Employees who bid into a classification having a higher wage progression shall, if qualified, be placed in the wage rate closest to, but higher than, their present wage rate. (Amended 1/1/87)

8.6 (Deleted 1/1/87)

ARTICLE IX

TRANSPORTATION

9.1 Employer or public transportation shall be furnished all employees requiring, in the discretion of the Employer, transportation in the performance of their duties. If an employee should request to use his/her own automobile and permission is given, subject to evidence of proper insurance coverage, he/she shall be reimbursed at the maximum allowable rate under Internal Revenue Service rules. (Amended 1/1/84)

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 Employee's hours of work shall regularly be scheduled on the basis of eight (8) consecutive hours of work exclusive of a thirty (30) minute lunch period, to be worked between the hours of 6:00 a.m. and 5:00 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.
- 10.4 An employee shall report to an Employer headquarters to which he has been assigned and he 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.
- 10.5 (Deleted 1/1/82)

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 workday; (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 nearest quarter hour.

(a) Time worked in excess of sixteen (16) hours on a scheduled work day shall be paid at the doubletime rate (2X). Time worked in excess of twelve (12) hours on a non work day shall be paid at the doubletime rate (2X). (Added 1-1-13)

11.2 Employees who are required to report to work on their non-workdays, or on holidays 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 his regular work hours on a workday continues to work into or beyond his regular work hours, he shall be paid overtime compensation for actual travel time during overtime hours before and/or after regular work hours.

11.3 In the event an employee is required to work on a holiday, such work shall be paid for at double-time (2X) the straight time rate of pay. (Amended 1/1/97)

11.4 In the event an employee is instructed to report for pre-arranged overtime work and such work is cancelled, the employee shall be paid overtime compensation for a minimum of two (2) hours if he 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 the Employer at time outside employee's regularly scheduled hours and such employee works less than two (2) hours, the employee shall receive not less than two (2) hours pay at double-time (2X). Call-out provisions shall not apply to work as an extension of regular workday, nor when an employee is called to work less than two (2) hours prior to the regular work time and the work extends into the regular workday, but only when the employee has returned home from their regular workday or has returned home from a prior call-out. (Amended 1/1/09)

11.6 The Company may designate up to 2 linemen, one of which may be a 3rd year apprentice, to be on call on weekends and Holidays on a rotating basis. If the Company needs more than 2 linemen to be on call, it shall be on a voluntary basis. Any such lineman who is designated on call during a weekend will be paid 4 hours at the double-time (2X) rate. Any such lineman who is designated on call for a holiday as listed on Article XIII-13.1 will be paid 4 hours at the double-time (2X) rate. If the designated lineman is called out to work, he shall be paid double-time (2X) rate for all hours worked offset by the on-call four (4) hours at the double-time (2X) rate. A designated lineman is either the lineman identified as on-call or a lineman that is designated by the on-call lineman or the outage service for separate outage. At no time will there be more than one (1) designated lineman on any outage. (Amended 1/1/2006)

11.7 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.

(a) Any employee who has worked eight (8) hours or more at over-time rates between his regular quitting time and his 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 he has worked a minimum of two (2) hours at overtime rates and such work extends beyond or commences after nine and one-half (9 1/2) hours after his regular quitting time, he shall be entitled to a rest period of eight (8) consecutive hours upon completion of such overtime work.

(c) If the employee becomes eligible for a rest period in accordance with subsection (a) or b) above, and Employer requires the employee to continue work into his regular work period, the employee shall be paid at one and one-half times (1½X) the standard rate of pay for all hours worked until he is given a rest period of eight (8) consecutive hours.

If the employee becomes eligible for a rest period and is called back to work during his eight (8) hour rest period, the employee shall be paid at one and one-half times (1½X) the standard rate of pay for all hours worked until he 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) Should the rest period provided in subsection (a) above extend into his regular work hours, the employee may be required to report for work at the end of said rest period for the remainder of that regular work period. The employee shall be paid at straight time for any portion of his regular work period which he is

allowed to take as a rest period. He will in any event be paid at the straight-time rate for the said regular work period. (Amended 1/1/12)

ARTICLE XII

EXPENSES

- 12.1 If an employee is required to report for work two (2) hours or more prior to beginning of his scheduled shift, the Employer will provide a breakfast. If Employer requires an employee to perform work for two (2) hours or more beyond regular work hours, it shall provide him with a meal approximately two (2) hour after regular quitting time and with meals at intervals thereafter of approximately four (4) hours, but not more than five (5) hours, for as long as employee continues to work. Allowance for meals not charged to the Employer will be actual reimbursement for costs with prudent meal selection. Receipts for meal expenses shall be submitted to the Employer within thirty (30) days for reimbursement. An employee called out after work or on a non-work day shall be provided with a meal at approximately each 4-hour interval except as provided in 12.2 of this article. An employee provided with meals under this section will be allowed 30 minutes to consume the meal exclusive of travel time. (Amended 1/1/87)
- 12.2 If Employer requires and employee to perform pre-arranged work during normal working hours on a non-workday, the employee shall provide his first meal.
- 12.3 Regular employees assigned to temporary work in their normal service area but a such a distance from their established headquarters that it is impracticable for them to return thereto or to their regular place of abode, shall be paid \$75 per day for meals or may be reimbursed for the actual cost thereof, upon the basis of bona fide receipts, plus actual costs of lodging and transportation. All expenses are subject to review and approval of management. The time spent by such employee in travel to such temporary job at its beginning and from it at its conclusion and any reasonable expense incurred therein shall be paid for by the employer.

Regular employees assigned outside of their normal area shall be paid \$75 per day for meals or may be reimbursed for actual costs thereof upon the basis of bona fide receipts, plus actual cost of lodging and transportation. All expenses are subject to review and approval by management. Employees will be granted either

the \$75 per day for meals or actual expenses for each trip, i.e., and not a combination of the \$75 and actual expenses. (Amended 1/1/2006)

- 12.4 An employee who is required to change his residence from one locality to another for Employer convenience shall be reimbursed for any expense incurred in the moving of his household and household good. An employee wishing to obtain reimbursement for expenses under this paragraph shall obtain and submit to management an estimate of cost of moving household goods from a bona fide household goods moving firm. Reimbursement will then be made on actual expenses incurred up to the maximum of the estimated received from the household goods mover. (Amended 1/1/82)
- 12.5 Employer will reimburse an employee for any long distance telephone calls made by the employee on official Company business upon submission of a phone company record of such calls.

ARTICLE XIII

HOLIDAYS

- 13.1 The following shall be recognized as holidays under this Agreement for regular and probationary employees:
1. New Year's Day
 2. Presidents Day (Amended 1/1/2006)
 3. Memorial Day
 4. Independence Day
 5. Labor Day
 6. Nevada Day (Amended 1/1/2006)
 7. Thanksgiving Day
 8. Day after Thanksgiving Day (Amended 1/1/87)
 9. Christmas Day
 10. Floating – The dates for observing the one floating holiday shall be determined before January 31 of any given year by the bargaining unit employee and his/her immediate supervisor. Employees shall observe their floating holiday on a workday before the end of the payroll year. In the event an employee is prevented from taking his floating holiday due to operational requirements, he shall be entitled to defer the floating holiday into the next ensuing payroll year. (Amended 1/1/2006)

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 he shall receive a regular day's pay for such holiday or another day off with pay, as mutually agreed upon between the supervisory and employee involved.

- 13.2 If the holiday falls on a 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, he shall be paid at the rate of two (2) 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 his next scheduled day before and his next scheduled day after the holiday, and the holiday if scheduled to work, unless previously excused by the Employer. (Amended 1-1-13)

ARTICLE XIV

VACATIONS

- 14.1 Vacations shall be considered as a rest period and employees are to take their vacation as a break in the yearly routine. However, in the event an employee is unable to take his vacation due to work needs, he will be allowed to defer up to five (5) days to the following year with notice to the immediate supervisor or general foreman. (Amended 1/1/2003)
- 14.2 Employees hired before 1/1/09 will be entitled to accrue vacation time at the beginning of their employment at the rate of one and one-quarter days (1 $\frac{1}{4}$) per month to be taken during the next calendar year. Employees hired after 1/1/09 will be entitled to accrue vacation time at the beginning of their employment at the rate of 6.67 hours per month (10 days per year) to be taken during the next calendar year. Employees will not be credited with accrued vacation until after successful completion of the specified "probationary period". (Amended 1/1/09)
- 14.3 January 1, of each year, the employee will receive credit for vacation days accrued in the previous year to be taken from January 1 to December 31 of that same year. Each successive January, the employee will receive credit for vacation accrued in the previous year to be taken during the same year. (Amended 1/1/87)

- 14.4 a. Employees hired before 1/1/09: After ten (10) continuous years of employment, employees will accrue 1 and 2/3 days per month (20 days/year). After twenty (20) continuous years of employment, employees will accrue one additional day for each year over twenty (20) years, up to a maximum of 30 days.
- b. Employees hired after 1/1/09: After five (5) continuous years of employment, employees will accrue 1 and 1/4 days per month (15 days/year). After 10 (10) continuous years of employment, employees will accrue 1 and 2/3 days per month (20 days/year). After twenty (20) continuous years of employment, employees hired before 1/1/09 will accrue one additional day for each year over twenty (20) years, up to a maximum of 30 days. (Amended 1/1/09)
- 14.5 For purposes of vacation accrual, only persons coming to work at Wells Rural Electric Company between the first and the fifteenth of any month will be considered employed on the first of the month. Persons coming to work between the sixteenth and the end of the month will be considered employed on the first of the following month. (Amended 1/1/87)

ARTICLE XV

SICK LEAVE

- 15.1 All regular and full-time employees shall be entitled to sick leave with pay. Sick leave shall be accrued at the rate of 8 days for each year of employment. Sick leave shall be accrued at the above rate for newly-hired employees during their probationary periods, but these employees shall not be entitled the use of sick leave until they have completed their probationary period. (Amended 1/1/90)
- 15.2 Absence due to sickness must be reported to the Department Head or his representative prior to the start of regular work hours, if possible. Persons claiming sick leave may be required to substantiate such a claim by a statement of fact and doctor's certificate acceptable to Company before sick leave allowance is granted.
- 15.3 Sick leave shall be accumulative. Employees who retire from the Company under the normal retirement plan shall be paid for all unused sick leave time. The rate of pay for the unused time will be computed by averaging the rate of pay for the employee during the length of time as accumulated. If an employee is terminated or leaves the Company voluntarily, he or she shall not be reimbursed for any unused sick leave time. (Amended 1/1/87)
- (a) Beginning on 1/1/90, sick leave can be accumulated from year to year up to

120 hours (15 days). All sick leave accumulated during the current calendar year will be paid to the employee at his/her present rate of pay, provided the employee has accumulated a bank of 120 hours (15 days). This payment will be made on 12/31 of each year. (Amended 1/1/90)

- 15.4 Employee's use of sick leave will be allowed for immediate family. (Amended 1/1/09)

ARTICLE XVI

LEAVE OF ABSENCE

- 16.1 "Leaves of Absence" and "Leaves" signify approved absence 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, may be granted to regular employees, provided the Employer can make adequate arrangements to take care of the employee's duties without undue interference with the normal routine or 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. (Deleted 1/1/87)

2. (Deleted 1/1/87)

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 he accepts other employment while on leave, or if he makes application for unemployment benefits while on leave, he shall thereby forfeit the leave of absence and terminate his employment with 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 Maternity leaves shall be treated the same as any physical disability leave.
- a. (Deleted 1/1/87)

ARTICLE XVII

RESOLVING OF GRIEVANCES

- 17.1 Any matter may be resolved through this grievance procedure by mutual consent, but without 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 his Union Steward and the immediate supervisor involved. Notification of such grievance by the employee or the Union Steward must be made to the immediate supervisor within ten (10) workdays after the grievance occurs or is first known to grievant. Any individual adjusting his 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 If the grievance is not resolved at the initial step, the aggrieved employee or Union Steward shall try to resolve the matter by conference with the Administrative Assistant over Personnel. If not resolved within five (5) working days, the grievance shall be reduced to writing by the aggrieved employee or the Union Shop Steward. The Union Business Representative and the Manager shall try to resolve the matter by further discussion. If the grievance is not resolved at this step, the Union and the Employer may each choose a representative who has not participated in any previous step of the grievance handling and they shall try to arrive at an amicable solution to the matter. If not resolved in this manner, the grievance may be referred to arbitration by either party notifying the other in writing to that effect.

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 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 observance of such rules. A copy of the rules will be posted and furnished to the Union. Failure to observe 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 (comprised of two management and two union employees appointed by respective parties) whose responsibility it will be to work with the Employer and to assist the Employer in promoting safe and healthful conditions for all employees. 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.

- 19.4 The Employer will promptly notify the Union Safety Committee of any accident resulting in death to an employee.
- 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 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.

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 as 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

CONTINUATION OF EMPLOYEE BENEFIT PROGRAMS

- 21.1 On February 1, 2012, the Company will establish a HDHP PPO medical plan. The employee contribution for 2012 will be equal to 10% of the medical and prescription drug premium. This HDHP pays 90% in Network and 70% Out of Network for approved expenses. The plan has an in-network \$1200 single deductible or a \$2400 family deductible and out of network \$2400 single deductible or a \$4800 family deductible. Office visit and prescription drugs are part of the deductible. Employer will fund a Health Reimbursement Account (HRA) for each year of the contract up to 50% of the employee's in-network deductible. In the event medical insurance costs (total of Medical and Rx) increase more than 15% in any given year, either party can open negotiations for medical insurance only.
(Amended (1/1/13))

- 21.2 The Employer may make such changes, additions or deletions which are mutually beneficial. However, before any such changes, additions or deletions are made, notification in writing shall be made to the Union describing such contemplated changes, additions or deletions, and if requested, the Union shall have the opportunity to bargain over alternatives. (Amended 1/1/87)
- 21.3 For all employees hired prior to January 1, 2006, the Employer will pay \$3500 of the monthly premium for any Employee and their dependents as long as the employee is alive, who retires from the company under the Company's normal retirement plan. (Note: Employer will pay up to \$2500 monthly for retirees receiving Medicare coverage. If any group receives a more favorable premium structure such will be offered to all retirees. Beginning January 1, 2006 this benefit will not be available to any bargaining unit employee or any other group of the company hired after this date. If this benefit should remain in force or be reinstated for any group, the benefit will be extended to all groups. (Amended 1/1/2013)
- 21.4 The COOP shall pay to each employees as payroll an amount equal to the Long and Short Term Disability premium. Employees will then pay such premium, by payroll deduction, with after tax money. (1-1-13)
- 21.5 All other benefits will remain at 100% of the present benefit level. (Amended 1/1/2006)
- 21.5 For all employees hired prior to January 1, 2012, the Employer will pay the full cost of a NRECA 1.7 benefit factor retirement plan and provide base funding of 1% into the 401k plan. For employees hired on or after January 1, 2012 the Employer will pay the full cost of a 0.5 benefit factor retirement plan and provide base funding of 6% into the 401k plan, the employer will also match the first 4% of employee contribution. The maxim Employer 401k contribution will be 10% of base wages.
(Added 1/1/12)

ARTICLE XXII

INCLEMENT WEATHER PRACTICE

- 22.1 Regular and probationary employees who are unable to work in the filed because of inclement weather shall receive pay for the full day, provided they have reported to duty. However, they may be held pending emergency calls and may be given first aid, safety or other instructions or required to perform work as

assigned by supervisor which can be reasonably performed under existing weather conditions, in line with criteria set forth in 22.2 below.

- 22.1 The Line Superintendent or Foreman 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 public 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

MISCELLANEOUS

- 23.1 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 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 adequate equipment, facilities or skilled personnel to properly perform.

- 23.2 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.

- 23.3 The Employer shall continue the present practice of furnishing and replacing tools and safety equipment, as follows:

(a) Foul weather gear consisting of rain gear, head gear, gloves and rubber boots; lineman's safety strap; replaceable gaffs; "L" pads; climbing straps; 9" side cutting pliers; channel lock pliers' 20 os. or 22 os. hammer; 10" or 12" crescent wrench; 6" or 8" screwdriver; folding skinning knife; folding wood rulers; and

body belts.

(b) The Employer will replace all mechanic tools that are broken during the performance of his job. The addition of new tools will be considered but will only be purchased on approval by the Employer. (Amended 1/1/2003)

23.4 Upon first reporting to a representative of management, 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 1/1/82)

23.5 For employees who cannot perform the work in their regular classification due to a permanent industrial injury disability shall be placed in another classification if the judgment of Company he is performing a meaningful and necessary service. The rate of pay shall be commensurate with the new classification.

23.6 Employees in the following classification shall possess a valid a CDL (Commercial Drivers License). Failure of an employee to have or maintain a valid CDL may result in demotion or termination: (Amended 1/1/92)

Line Working Foreman, Lineman, Apprentice Lineman, Mechanic, and Warehouseman. (Amended 1/1/92)

(a) The Company may allow other classifications to obtain a CDL, but they will only be required of the above classifications. (Amended 1/1/92)

(b) The Company will pay all costs associated with obtaining and maintaining a CDL. (Amended 1/1/92)

(c) If an employee cannot obtain or maintain a valid CDL due to medical reasons specifically identified in applicable Federal or State laws, the company will make every effort to relocate the effected employee in a position comparable with their abilities. (Amended 1/1/92)

(d) On the first payday in January, the Company will pay each employee a \$100.00 premium for having a valid CDL. (Amended 1/1/92)

ARTICLE XXIV

SCOPE OF AGREEMENT

24.1 The parties of 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 the specific written consent of both parties.

ARTICLE XXV

TERM OF AGREEMENT

25.1 This Agreement shall be effective on January 1, 2013 and shall continue in effect to and including December 31, 2016. 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. (Amended 1/1/13)

FOR WELLS RURAL
ELECTRIC COMPANY

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

By: _____

By: _____

Collective Bargaining Member

Date: _____

Date: _____

By: _____

By: _____

Collective Bargaining Member

Date: _____

Date: _____

By: _____

IBEW 1245 Business Representative

Date: _____

By: _____

IBEW 1245 Business Manager

Date: _____

By: _____

IBEW 1245 President

Date: _____