

ARTICLES OF AGREEMENT

Between

IBEW Local Number 702



and

Southwestern Electric Cooperative, Inc.



Your Touchstone Energy® Cooperative 

for

Inside Employees

Effective:

July 1, 2018 through June 30, 2022

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PREAMBLE TO AGREEMENT

This Agreement made and entered into this 1st day of July, 2018, by and between Southwestern Electric Cooperative, Inc., party of the first part, hereinafter referred to as the “Cooperative,” and the Local Union Number 702 of the International Brotherhood of Electrical Workers, party of the second part, hereinafter referred to as the “Union.”

This Agreement and the provisions thereof, when signed by the authorized representatives of the Cooperative and the Union and approved by the President of the International Brotherhood of Electrical Workers, shall be binding upon the Cooperative, its successors and assigns and shall take effect July 1, 2018, and shall remain in full force and effect until and including June 30, 2022, and shall continue in full force and effect from year to year thereafter until it has been canceled and/or amended by the giving of sixty (60) days written notice from one party to the other.

Should either party give notice to amend the Agreement, as specified in the previous paragraph, it is specifically agreed that any ensuing discussion shall be limited to the specific issues for amendment raised in the notice to amend and in any reply thereto.

If amendment is desired, the proposed changes shall accompany the notice.

ARTICLE 1

UNION SECURITY

- 1.1 Pursuant to certification by the NLRB (Case No. 14-RC-6698), the Cooperative recognizes the Local Union Number 702 of the IBEW as the exclusive bargaining agent and representative of its office clerical and technical employees employed at Greenville, St. Jacob, and St. Elmo facilities, excluding the private secretary to the CEO, professional employees, guards and supervisors as defined in the National Labor Relations Act, and all other employees.
- 1.2 It is agreed by the parties hereto that all present and new employees, also former employees returning to work, shall be and remain or require to become and remain, respectively, members of the Local Union, as a condition of employment hereunder, provided that new employees shall be employed subject to a probationary period of thirty (30) days prior to joining the Union. The Cooperative shall refer all new or re-employed employees to the representative of the Local Union for instructions and advice concerning the Union Shop requirements of this Agreement. The Cooperative shall have the sole right to employ whomsoever it chooses without regard to membership or non-membership in the Local Union, except that after said probationary period, all new employees shall become members of the Local Union. At the request of the Cooperative,

the Local Union shall make reasonable efforts to furnish the Cooperative with such workers within the classifications herein as the Cooperative may request.

- 1.3 The Cooperative agrees that it will not contract any work which is ordinarily and customarily done by its regular employees, if, as a result thereof it would become necessary to concurrently lay off or reduce the rate of pay of any employees on the active payroll who regularly perform such work.
- 1.4 Work defined by the National Labor Relations Act as confidential and proprietary shall be performed by Staff. All other clerical work will be done by the Union.
- 1.5 No work customarily performed by employees covered by this Agreement is to be performed by employees outside the bargaining unit.
- 1.6 The Cooperative will deduct and remit quarterly to the Union, dues required of such employees as certified by a duly authorized representative of the Union.
- 1.7 Upon written authorization, the Cooperative agrees to deduct IBEW COPE funds from an individual's payroll check and forward said deduction to the Local Union monthly.
- 1.8 In the event that any of the provisions of this Agreement shall conflict with any state or federal law or presidential regulation, such provisions shall be deemed to be modified sufficiently in respect to either or both parties to the extent necessary to comply with such laws or regulations and the remaining portion of this Agreement shall remain in full force and effect. Nothing in this Agreement shall cancel or diminish any individual's rights that are otherwise available under state or federal law or presidential regulation.

ARTICLE 2

RIGHTS OF MANAGEMENT

- 2.1 The Union recognizes that the management of the Cooperative, the direction of the work force, the determination of the number of employees it will employ, the right to discipline or discharge for just cause, the right to hire, promote, demote or transfer, and to release employees because of lack of work, are vested in and reserved to the Cooperative, subject, however, to the restrictions and regulations of this Agreement.

ARTICLE 3

GRIEVANCE AND ARBITRATION PROCEDURES

- 3.1 A complaint or grievance arising under the terms and provisions of this Agreement, or any difference between the parties as to the interpretation and application of this Agreement, shall be settled in accordance with the following procedures:
- a) The aggrieved employee will present his grievance to his supervisor in the presence of his union steward. The employee shall have ten (10) working days from the day of incident (or the day he receives reasonable knowledge of the incident) to present his grievance. The supervisor will have five (5) working days to render a decision.
 - b) If agreement is not reached the union steward and/or the Business Agent of the Union may present the grievance to Human Resources and/or the CEO. The grievance must be presented to Human Resources and/or the CEO within ten (10) working days of the supervisor's decision. Human Resources and the CEO shall have five (5) working days to render a decision.
 - c) If the grievance remains unsettled the Business Manager of the Union, who may be accompanied by a committee of employees of the Cooperative, shall endeavor to adjust disagreements with the Labor Relations Committee of the Cooperative. A grievance hearing with the Labor Committee must be requested within ten (10) working days of Human Resources and CEO's decision. In case of failure to then reach an agreement, the matter shall be submitted to arbitration.
 - d) Notice of intent to arbitrate shall be presented in writing by registered mail by the party desiring to arbitrate to the other party within thirty (30) days of the receipt of the decision in step (c).
 - e) Within ten (10) working days after the Cooperative or the Union notifies the other of its desire to submit the matter to arbitration, an arbitrator shall be selected from a panel of arbitrators agreed to by both parties. See Appendix B for procedures for selecting the panel.
 - f) The Arbitrator shall have no authority to change, alter, add or delete from the contract. The Arbitrator's decision within the limits of his authority shall be final and binding upon the parties.
 - g) The expense of the Arbitrator shall be born equally between the two parties.
 - h) Should an employee or his Union Representative fail to process a complaint at any stage within the time limits provided in this Article, the complaint will be treated as abandoned and no further action will be taken concerning it and the last decision made by the Cooperative shall be final. In the event a grievance is conceded in this fashion, it will not be used to establish a precedent.

- i) Should the representative of the Cooperative fail to process a complaint within the established time limits, the grievance will be conceded in favor of the grievant. In the event a grievance is conceded in this fashion, it will not be used to establish a precedent.
- j) All steps in the grievance procedure and time limits specified herein may be waived, reduced, or extended by mutual consent of both parties. A waiver, reduction, or extension in one case is not a precedent.

ARTICLE 4

SENIORITY

- 4.1 Seniority is defined as an employee's length of service with the Cooperative from his last date of hire.
- 4.2 All employees must serve a probationary period of six (6) continuous months of service during which time they shall have no rights under this Agreement other than to their applicable wage rates. Any part-time, casual, or temporary employee of the Cooperative shall have no rights under this Agreement.
- 4.3 When making a reduction in the number of employees and when rehiring, the following procedure shall govern:
 - a) Employees who have not established seniority with the Cooperative shall be laid off first.
 - b) Thereafter, employees shall be laid off in inverse order of their established seniority.
 - c) An employee may exercise seniority in any department covered by this Agreement to take a job in any equal or lower pay classification, provided they have the skill and ability to perform the duties of the employee displaced.
 - d) An employee who receives notice of layoff and desires to exercise seniority, shall notify the Cooperative within five (5) days after such notice. The Cooperative shall not be required to consider employees who failed to give notice as prescribed herein; but, consideration shall be given to employees who at the time, are absent on account of sick leave, vacation, or other valid reason.
 - e) When adding employee, those having established seniority most recently laid off on account of curtailment of work shall be the first among those holding seniority to be re-employed if available and physically able to return to work, provided they have the qualifications required.

- 4.4 Seniority shall be deemed to have been broken for the following reasons:
- a) If the employee resigns.
 - b) If the employee is discharged and not reinstated.
 - c) If an employee is absent from work without authorized leave except when satisfactory reasons for their absence are given.
 - d) If an employee who has been laid off fails to return to work within three (3) days after being properly notified to report for work and does not give a satisfactory reason for failing to report.
 - e) If an employee is laid off for twenty-four (24) consecutive months.
- 4.5 In filling vacancies or newly created positions, promotions shall be based upon skill, ability, qualifications, and seniority, and shall comply with the Americans with Disabilities Act. Skill, ability and qualifications being sufficient, seniority shall prevail.
- a) When it is necessary to add employees and employees who have been laid off are called back when they have not lost their seniority, they shall have the right to exercise their seniority over those of lesser seniority in the vacancy to be filled or the new position.
 - b) When vacancies occur or when new positions are created within the Departments of Appendix A of this Agreement, the Cooperative will post a notice on the bulletin boards for a period of five (5) days (Sundays and Holidays excluded) announcing the position opening. Employees desiring to be considered shall make written application to Human Resources. When necessary, temporary assignments will be made for the period the position is considered open.
 - c) An employee promoted to a new position shall be given a reasonable opportunity, not to exceed six (6) months, to demonstrate their qualifications and ability. If they do not qualify, they and the Union shall be notified of the nature of the disqualification and they shall be returned to the position they formerly held. An employee so promoted may also request to be returned to their former job, provided such request is made within the first 60 days.
- 4.6 An employee who has established seniority, if they can be separated from duty, may be granted a leave of absence upon approval from the Cooperative and while on such leave, they shall not forfeit any such seniority they may heretofore have established provided they do not overstay their leave or accept employment elsewhere while on such leave without the approval of the Cooperative.

- a) Notwithstanding any of the other terms hereof, an employee who has been laid off shall be deemed to have lost all accumulated seniority and all rights to be re-employed unless they register with the Cooperative either in person or by registered mail, at least once each year and within thirty (30) days prior to the following January 1 of the year under consideration.
 - b) Any written notice to be given under this Agreement shall be deemed properly given when deposited in the United States Post Office under registered mail addressed to the last known address.
- 4.7 An employee who is injured while in the employ of the Cooperative shall continue to accumulate seniority and upon recovery shall be reinstated to their former position with full seniority providing they make application to return to work within thirty (30) days after they are pronounced recovered by the Cooperative's physician, if they are physically qualified to resume the work.
- 4.8 The Cooperative and the Union may by mutual agreement suspend or alter the provisions of this Article in case of mutual desire to provide employment for an employee who has been partially disabled while in the employ of the Cooperative on or off duty or while on authorized leave serving in the United States Military Service.

ARTICLE 5

GENERAL RULES AND WORKING CONDITIONS

- 5.1 Five (5) consecutive days shall constitute a workweek on all jobs except as otherwise agreed to by the Cooperative and the Union. Eight (8) hours shall constitute a normal workday. Employees shall report to work at 8:00 a.m. and leave work at 4:30 p.m. Employees shall be entitled to a thirty (30) minute unpaid lunch period. The lunch period will be from 12:00 noon to 12:30 p.m., except for dispatcher relief, cashier-receptionist relief and member service representative relief who will take their lunch from 11:30 a.m. to 12:00 noon. The custodial hours shall be Monday through Friday, 1:30 p.m. to 10:00 p.m., with a thirty (30) minute unpaid lunch period.

The normal workweek is Monday to Friday inclusive. However, a Tuesday to Saturday inclusive workweek may be scheduled if necessary to aid in the restoration and maintenance of service. The personnel to be assigned to or alternated shall be mutually agreed upon by the parties hereto.

Flextime may be permitted with mutual consent of the supervisor and in accordance with the Fair Labor Standards Act. There are some positions that do not lend themselves to the application of flextime. Flextime should not cause a hardship on the Cooperative.

- 5.2 When conditions require that an employee shall work at a distance from their permanent headquarters and remain away from their permanent headquarters overnight, the Cooperative shall either provide meals and lodging or reimburse to a reasonable amount for expenses actually incurred for meals (excluding alcoholic beverages) and lodging.
- 5.3 In the event an employee is required to temporarily report to an alternate location, and under normal working hours, the Employee shall be compensated in the following instance. If the alternate location is further than what the employee drives to their normal reporting headquarters, the Cooperative shall pay the excess mileage according to the IRS rate and the excess drive time at the rate of time and one-half in fifteen-minute increments. Any unusual circumstances that may occur from such a transfer will be taken into consideration. The Cooperative will give as much notice as possible before making a temporary transfer.
- 5.4 If employees are asked to work overtime during the meal periods listed below, the Cooperative will furnish a meal, and the Cooperative will furnish a meal for each continuous five (5) hour period of overtime worked thereafter. If the Cooperative is unable to furnish a meal, the employee shall receive three-fourths (3/4) of an hour pay at the prevailing wage rate.

Breakfast – 5:00 a.m. to 7:00 a.m.

Lunch – 11:00 a.m. to 1:00 p.m.

Dinner – 6:00 p.m. to 8:00 p.m.

- 5.5 All employees covered by this Agreement shall receive full time employment, provided they are ready and in condition to perform their work. Employees laid off because a job is completed or shut down for reasons beyond the Cooperative's control shall be paid in full to the date of layoff. Regular employees shall be given two (2) weeks' notice prior to date of layoff.
- 5.6 All time worked in excess of regular hours shall be paid for at the rate of time and one-half except as hereinafter provided. There shall be no pyramiding of overtime. Overtime shall be divided as equally and impartially as possible among the employees of each classification. Employees' names and overtime hours paid shall be posted bi-weekly on departmental bulletin boards.

In the event an employee is required to fill in for another employee of a higher pay scale, a minimum of two (2) hours shall be required to work before an employee is compensated at the higher pay scale. Supervisor pre-approval is required.

- 5.7 An employee who has worked for sixteen (16) or more continuous hours, shall, upon release, be entitled to an eight (8) hour rest period before they return to work. If the rest period extends into their regularly scheduled workday, they shall lose no time thereby. Time worked in excess of sixteen (16) continuous hours shall be paid for not less than two (2) times the basic rate until released from duty. For the purpose of administering the overtime period and rest period, the work period shall be continuous unless interrupted by a continuous eight (8) hour period.
- 5.8 When an employee is called for work on a day other than their regularly scheduled work days, they shall receive not less than two (2) hours at the applicable overtime rate for all time worked.
- 5.9 The following will be recognized as holidays and all employees will be excused from work with straight time pay: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, Christmas Day, Christmas Eve (one-half day), New Year's Eve (one-half day), and the employee's birthday which may be taken either on the calendar birth date, or within the month of their birth date.
- By mutual agreement, some employees may be asked to work all day Christmas Eve or the day celebrated thereof in exchange for having an all day holiday on New Year's Eve or the day celebrated therefor or vice-versa.
- Should any holiday fall on a Saturday or Sunday, the preceding Friday or following Monday shall be recognized as a non-working holiday. Any work actually performed on any such recognized holiday will be compensated for at double-time.
- 5.10 When employees are called for work on Sunday or holidays they shall receive double-time for the entire time worked, and in no case shall they receive less than two (2) hours' time at the rate of double-time.
- 5.11 At no time will an employee be required to perform any hazardous task outside their classification. The Cooperative will not require employees to do work outside during inclement weather, except during an emergency.
- 5.12 Employees covered by this Agreement shall be entitled to the necessary time, not to exceed one hour off with pay for the purpose of voting in all state, county, city and national elections provided they are eligible to vote and do vote.

- 5.13 Nothing in this Agreement shall be so construed as requiring the Cooperative to employ any person not required in the proper and efficient operation of its properties.
- The Employer shall have the right to discharge any employee for just cause, but the employer agrees to give to such employee and the Union at least one warning notice in writing before such discharge, provided, however, it is agreed between the parties that just cause for suspension of any employee without notice shall include drunkenness, drinking while on duty, gross incompetence, or insubordination.
- 5.14 Employees may be required to use their personal cars for Cooperative business and if they are, will be reimbursed at the same rate as the current IRS standard. The Cooperative reserves the right during the term of this contract or any succeeding contract to furnish transportation for any or all of its employees who use their personal cars for Cooperative business. The Cooperative further agrees that it will give such employee at least six (6) months' notice prior to the time it decides to furnish such transportation for such employee.
- 5.15 No employee covered by this Agreement shall absent themselves from duty without securing permission from the manager or his representative and in case of illness, shall use every effort to notify the manager or his representative in ample time before working hours.
- 5.16 All first-aid equipment is to be furnished by the Cooperative. Employees are responsible to see that replacements are made when arriving at headquarters after using any first-aid supplies.
- 5.17 An employee performing jury service during their regularly scheduled hours shall do so without loss of pay and shall remit all fees for such service to the Cooperative provided the employee presents the jury summons to the manager of the Cooperative the first scheduled work day following its receipt.
- 5.18 All fringe benefits and benefit plans now in effect and not specifically referred to herein shall remain in full force and effect for the term of this contract or any extension thereof, however, any such plans may be amended at any time by mutual agreement.
- 5.19 Wage rates are shown in Appendix A attached hereto and made a part hereof. Wages shall be paid every two (2) weeks on Friday except when Friday is a holiday and then payday shall be Thursday before for all wages earned up to and through the previous Friday.
- 5.20 In the event that any of the provisions of this Agreement shall conflict with any state or federal law or presidential regulations, such provisions shall be deemed to be modified sufficiently in respect to either or both parties to the extent necessary to comply with such

laws or regulations and the remaining portion of this Agreement shall remain in full force and effect.

ARTICLE 6

VACATION

6.1 Vacation shall be earned based on the employee's date of hire. After six (6) months of service, employees may take five (5) days of the ten (10) days they will earn for their first year of employment.

- a. Vacation shall be earned based on years of service and posted on anniversary date.
- b. No more than 80 hours can be rolled over on anniversary date.
- c. Vacation schedule effective for 2018 anniversary dates:

- 1 – 5 Years 10 days
- 6 – 14 Years 15 days
- 15 – 20 Years 20 days
- 21 - 30 Years Earn Additional Day Each Year
- 31+ Years Max 30 days

Any employee who is negatively affected by this new schedule is grandfathered into the previous vacation schedule until his/her years of service moves him/her into the next highest vacation bracket in this new schedule.

6.2 Prior to April first of each year, the department supervisor shall consult with all employees entitled to vacations and from such consultation the department supervisor will establish and post before the above date on the bulletin boards a schedule for vacation periods. The date of any vacation period so scheduled may be changed by mutual agreement.

6.3 An employee may take up to fifteen (15) days of earned vacation a year in one (1) day increments provided the employee gives the Cooperative reasonable advance notice and provided the time selected is mutually convenient to both the employee and the Cooperative. It is understood that dates previously mutually agreed to between the employee and the Cooperative may be changed in case of any emergency. In the event the Cooperative cannot allow an employee to take their scheduled vacation time and it cannot be rescheduled, the Cooperative shall pay the employee for the scheduled time missed.

6.4 Maximum amount of vacation earned in one year is 30 days. All vacation insofar as practical shall be arranged with regard to seniority of the employees and at the convenience of the Cooperative and the individual employee.

- 6.5 Upon separation of employment, employees shall receive pro-rated vacation based on hours earned.
- 6.6 Employees shall be allowed two (2) personal days off each year without loss of pay. Employees shall give at least two (2) days' notice to their supervisor unless there is an emergency, in which case, as much notice should be given as possible.
- 6.7 If an employee is off on sick leave during the same time as a scheduled vacation by the employee, the employee shall either be paid for the vacation time missed and will not receive time off for said vacation time, or if possible, the employee will be allowed to reschedule the vacation time.
- 6.8 Vacation and sick leave will stop accruing to an employee after a thirteen (13) week continuous absence. The amount of time an employee has earned up to that point will be frozen until they return to work, terminate, or retire, whichever occurs first. If an employee is off for a period of twelve (12) months, the Cooperative will pay the frozen vacation time to the employee for anything over two (2) weeks. If an employee returns to work after an extended absence lasting more than thirteen (13) weeks, they will begin accruing vacation in accordance with the schedule outlined in section 6.1 for years worked. *For example, Jones was hired on March 1, 1984 and has completed 20 years of service. On July 1, 2004, Jones is injured and unable to return to work until June 1, 2006. On September 29, 2004, Jones qualifies for LTD and will no longer accrue vacation or sick leave while off of work. As of September 29, 2004, Jones has 15 days left from the 20 days he earned as of March 1, 2004, and he has earned an additional 12.39 days from March 1, 2004 to September 29, 2004 for a total of 27.39 days. In July 2005, Jones has been off 12 months and is paid for 17.39 days of vacation time. On June 1, 2006, Jones returns to work and has ten days of vacation. He now begins earning time from June 1 as an employee with 20.59 years of service. Sick leave will be handled in the same manner.*

ARTICLE 7

SICKNESS, DISABILITY, PHYSICAL INJURY, AND DEATH IN FAMILY

- 7.1 SICK LEAVE: After six (6) months of employment with the Cooperative, each employee shall be entitled to twelve (12) days of sick leave per year with regular pay for actual sickness. Any unused sick days shall be accumulated in the employee's personal sick bank, up to 100 days. No pay shall be allowed under this section for absence resulting from current illegal drug use, or current alcohol use, which would ultimately affect job performance. This provision will not be interpreted to deny sick leave in violation of any applicable federal or state law.

Upon resignation, retirement, or death, the Cooperative shall pay the employee 25% of the accumulated days in his/her personal sick bank at the employee's regular rate of pay on the date of separation and shall be included on the employee's final paycheck. An employee must be employed on a continuous full time basis for at least five (5) years in order to be eligible to receive a payout on his/her accumulated sick leave. An employee terminated for cause shall not be eligible for any personal sick bank payout.

Any unused days beyond the 100 days an employee may accumulate in his or her personal bank, shall go into the Central Bank. The purpose of the Central Bank is to provide extended sick pay for employees who have exhausted their accumulated personal leave due to serious illness or injury and are unable to return to work as verified by a doctor's statement. An employee may maintain up to five (5) days of vacation and still be eligible for leave from the Central Bank. An employee can receive Central Bank payments until the time that they receive compensation from either long-term disability, social security disability, or they attain normal retirement age of 62.

A four-person committee shall be established and shall be comprised of two union representatives and two management representatives. The committee shall consider each request for payment from the Central Bank. A majority vote of the committee is required to approve payment from the Central Bank. Employees approved for payment from the bank shall receive their base wages subject to taxes and ordinary deductions. The decision of the committee is final and is not subject to the grievance and arbitration procedure.

Employees who have quasi-retired or who attain quasi-retirement during this agreement shall be credited up to the 100 day maximum for any days they contributed to the Central Bank prior to quasi-retirement. If the employee received a distribution from the Central Bank, the time shall be netted out against the quasi-retired employee's contributions.

- 7.2 If an employee is off sick three days in a row or more, the Cooperative may require a medical certificate from the employee's doctor including information about follow-up treatment and prognosis as determined by the doctor.

- 7.3 Sick leave with pay may be reduced or entirely eliminated if upon an impartial investigation it is found that the employee in question is abusing the privilege.
- 7.4 Employees shall not be paid for sick leave if they have not notified their supervisor or foreman in advance of their absence if it was possible to do so.
- 7.5 The Cooperative will permit paid leave of absence in the event of serious illness or accident that requires hospitalization of spouse, daughter, son, father, mother, or other close relative residing with the employee. The same leave of absence without payroll deduction will apply when any of the aforementioned relatives require emergency treatment or home confinement requiring the presence of the employee as prescribed by the doctor with the consent of the CEO or the CEO's agent. Employees shall be required to present a medical certificate from their doctor. The maximum leave of absence allowed under these circumstances shall be two (2) days per calendar year for each of the aforementioned relatives and shall not be cumulative.
- 7.6 FUNERAL LEAVE: Employees are entitled to paid funeral leave at their regular rate of pay when a death occurs in their immediate family as follows:
- Employees shall receive their regular rate of pay for up to three (3) days because of death of spouse, children, brother, sister, parents, parent in-laws, step-parents, step-children or other close relative living in the employee's own household.
- Employees shall receive their regular rate of pay for one (1) day because of the death of a grandparent or grandchild.
- Employees shall make every effort to notify their supervisor in advance of taking funeral leave or as soon as possible thereafter.
- 7.7 The Cooperative shall provide long term disability insurance for each employee. Refer to the Summary Plan Description for detailed information on the plan. The Plan documents are controlling for purposes of the terms of the Plan(s). Refer to Appendix C for additional guidelines on inactive employees who qualify for LTD.
- 7.8 After six (6) months of continuous employment, a regular employee who is disabled in the course of their employment and who is unable to return to their regular duties shall receive, beginning with the first full day of absence, the difference between the Illinois Workmen's Compensation Act payments to which they are entitled under said Act and one hundred percent (100%) of their regular pay at their regular straight time hourly rate for the first ten (10) working days of their disability, and shall receive the difference between the Illinois Workmen's Compensation Act payments to which they are entitled under said Act and eighty percent (80%) of their regular pay at their regular straight time hourly rate for the next one hundred thirty (130) working days of their disability. In no event shall an employee receive more than their regular take home pay. The

supplemental pay from the Cooperative shall be trued up and paid out as soon as practical.

- 7.9 The Cooperative shall provide group term life insurance for the employee at two (2) times the employee's annual base salary. The Cooperative shall provide dependent group term life insurance in the amount of \$10,000 for a spouse and \$10,000 for each dependent child.
- 7.10 The Cooperative will pay one hundred percent (100%) of the premium for the medical benefit plan for the employee and family. Refer to the Summary Plan Description for detailed information on the plan. The Company and Union recognize that health care costs are a major component of the benefits package provided by the Company; and that health care costs have been rising substantially over several years. It is the Company's intent to continue to pay the health insurance premium for the duration of this contract, with the following qualifiers:
- A. Health insurance is provided through NECA/IBEW Family Medical Care Plan (Plan 16), hereinafter referred to as FMCP.
 - B. The Union acknowledges that the plan sponsors may make changes from time to time to the benefits package provisions, and that the Company has no control over what is offered by the FMCP.
 - C. As stated above, it is the intent of the Company to pay the FMCP premium for both the employee and their family. But in order for the company to provide a long-term Labor Agreement to its employees, the following must also apply:

The Cooperative will pay the FMCP insurance premium at the 2018 & 19 rates listed below:

- a. Family -- \$2360.97 per month
- b. Employee & Spouse -- \$1,698.39 per month
- c. Employee & Child -- \$1,588.15 per month
- d. Employee -- \$896.85 per month

The Cooperative will pay the FMCP insurance premium at the 2019 rates listed below:

- a. Family -- \$2,441.24 per month
- b. Employee & Spouse -- \$1,756.14 per month
- c. Employee & Child -- \$1,642.15
- d. Employee -- \$927.34 per month

The Cooperative agrees to pay increases in the aforementioned premiums of up to 13.5% over the duration of the contract. If the premiums exceed the 13.5% cumulative increase, the Union may make changes to the plan design or contribute to the premium to cover the excess cost.

- 7.11 RETIREMENT AND 401K: The Cooperative will assume the full cost of each employee's required contribution to the NRECA retirement program, thirty (30) year graduated 1.8 benefit level. Contributions by the Cooperative will cease after the employee has been in the plan for thirty (30) years.

The Cooperative will contribute five percent (5%) of the employee's straight-time pay to the 401k plan.

ARTICLE 8

NONDISCRIMINATION

- 8.1 All reference to employees in this Agreement designate both sexes and whenever the male gender is used it shall be construed to mean male and female employees. Male and female employees covered by this Agreement shall receive equal payment where work performed is substantially identical.
- 8.2 The provisions of this contract shall be applied to all employees and applicants for employment covered by this Agreement without discrimination by the Cooperative or the Union on the basis of race, color, religion, sex, national origin, age, or any other characteristic protected by law.

ARTICLE 9

SALE OR OTHER TRANSFER OF COMPANY

- 9.1 This Agreement shall be binding upon the IBEW Local Union Number 702, Southwestern Electric Cooperative, Inc., and any individual, partnership, or corporation who shall succeed the Cooperative in carrying on the business. In the event the Cooperative should sell, assign or otherwise transfer its operation to any other entity, the Cooperative agrees to require the successor, as part of the underlying sales agreement with the successor, to adopt this Collective Bargaining Agreement. In addition, immediately after consummation of the underlying transaction, the Cooperative shall notify the Union of the transaction and furnish a copy of the portion of the underlying document confirming acceptance of the Collective Bargaining Agreement, in accord with the conditions set forth below by the successor:

- a) Certain provisions of this Collective Bargaining Agreement other than wages and fringes may be impossible for the successor to adhere to. In such case, the successor will be obligated to bargain with the Union in order to as closely approximate the intent of the Collective Bargaining Agreement as possible. If the parties are unable to reach an agreement as to any issues that may arise under this paragraph, those issues and disputes shall be submitted to arbitration according to article 9.1, section (c) below.
- b) The successor may not be able, because of cost concerns or availability reasons, to provide identical benefits to those provided in the Collective Bargaining Agreement. In that event: (1) the successor will be obligated to bargain with the Union in order to attempt to provide a wage/benefit package which as closely as possible approximates the package provided for in this Collective Bargaining Agreement without increasing the successor's costs beyond that borne by the Cooperative under this Collective Bargaining Agreement; and (2) in no event, absent the agreement of the Union, will the wage/benefit package provided cost the successor less than the cost to the Cooperative under this agreement. If the parties are unable to reach an agreement as to any issues that may arise under this paragraph, those issues and disputes shall be submitted to arbitration according to article 9.1, section (c) below.
- c) If a dispute should arise as to either the interpretation or the application of paragraph (a) or (b), such dispute shall be resolved by the successor and the Union by submitting the dispute to the grievance and arbitration procedure provided in article 3 of this Collective Bargaining Agreement on an expedited basis. The arbitrator's decision shall be final and binding.
- d) Upon signing an agreement with the Cooperative and a successor meeting the above stated requirements, the Cooperative shall be considered as having complied with all of its obligations concerning this matter. Thereafter, as to the operations involved, all future dealings shall be between the successor and the Union.

ARTICLE 10

NO STRIKE – NO LOCKOUT

- 10.1 Both parties agree that the operations of the Cooperative upon which the employees covered in this Agreement are to be engaged are essential to the welfare of the community served by it and recognize their obligations to furnish continuous electric service. Accordingly, the Union agrees that there shall be no strikes, work stoppage or any other action or refusal to act which effects or interferes with the normal functioning of the Cooperative, and the Cooperative agrees not to engage in a lockout.

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	<u>Current</u>	<u>7/1/2018</u>	<u>7/1/2019</u>	<u>7/1/2020</u>	<u>7/1/2021</u>
	<u>Rate</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
MEMBER SERVICES DEPARTMENT					
Asst. Dir of Mktg/Member Services, 1st 6 Mos.	36.41	\$37.32	\$38.25	\$39.21	\$40.19
Asst. Dir of Mktg/Member Services, 2nd 6 Mos.	37.81	\$38.76	\$39.73	\$40.72	\$41.74
Asst. Dir of Mktg/Member Services, 3rd 6 Mos.	39.99	\$40.99	\$42.01	\$43.06	\$44.14
Asst. Dir of Mktg/Member Services, 4th 6 Mos.	41.62	\$42.66	\$43.73	\$44.82	\$45.94
Technical Services Representative, 1st 6 Mos.	31.18	\$31.96	\$32.76	\$33.58	\$34.42
Technical Services Representative, 2nd 6 Mos.	32.55	\$33.36	\$34.19	\$35.04	\$35.92
Technical Services Representative, 3rd 6 Mos.	34.76	\$35.63	\$36.52	\$37.43	\$38.37
Technical Services Representative, 4th 6 Mos.	36.44	\$37.35	\$38.28	\$39.24	\$40.22
Marketing Clerk, 1st 6 Months	22.38	\$22.94	\$23.51	\$24.10	\$24.70
Marketing Clerk, 2nd 6 Months	23.07	\$23.65	\$24.24	\$24.85	\$25.47
Marketing Clerk, 3rd 6 Months	23.78	\$24.37	\$24.98	\$25.60	\$26.24
Marketing Clerk, 4th 6 Months	24.41	\$25.02	\$25.65	\$26.29	\$26.95

ENGINEERING DEPARTMENT

Staking Engineer Sr., 1st 6 Months	36.41	\$37.32	\$38.25	\$39.21	\$40.19
Staking Engineer Sr., 2nd 6 Months	37.81	\$38.76	\$39.73	\$40.72	\$41.74
Staking Engineer Sr., 3rd 6 Months	39.99	\$40.99	\$42.01	\$43.06	\$44.14
Staking Engineer Sr., 4th 6 Months	41.62	\$42.66	\$43.73	\$44.82	\$45.94
Staking Engineer, 1st 6 Months	31.18	\$31.96	\$32.76	\$33.58	\$34.42
Staking Engineer, 2nd 6 Months	32.55	\$33.36	\$34.19	\$35.04	\$35.92
Staking Engineer, 3rd 6 Months	34.76	\$35.63	\$36.52	\$37.43	\$38.37
Staking Engineer, 4th 6 Months	36.44	\$37.35	\$38.28	\$39.24	\$40.22
Staking Engineer/Coordinator, 1st 6 Months	31.18	\$31.96	\$32.76	\$33.58	\$34.42
Staking Engineer/Coordinator, 2nd 6 Months	32.55	\$33.36	\$34.19	\$35.04	\$35.92
Staking Engineer/Coordinator, 3rd 6 Months	34.76	\$35.63	\$36.52	\$37.43	\$38.37
Staking Engineer/Coordinator, 4th 6 Months	36.44	\$37.35	\$38.28	\$39.24	\$40.22

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Work Order Coordinator, 1st 6 Months	31.18	\$31.96	\$32.76	\$33.58	\$34.42
Work Order Coordinator, 2nd 6 Months	32.55	\$33.36	\$34.19	\$35.04	\$35.92
Work Order Coordinator, 3rd 6 Months	34.76	\$35.63	\$36.52	\$37.43	\$38.37
Work Order Coordinator, 4th 6 Months	36.44	\$37.35	\$38.28	\$39.24	\$40.22
Asst. Staking Engineer & Aid, 1st 6 Months	24.30	\$24.91	\$25.53	\$26.17	\$26.82
Asst. Staking Engineer & Aid, 2nd 6 Months	25.33	\$25.96	\$26.61	\$27.28	\$27.96
Asst. Staking Engineer & Aid, 3rd 6 Months	26.51	\$27.17	\$27.85	\$28.55	\$29.26
Asst. Staking Engineer & Aid, 4th 6 Months	27.71	\$28.40	\$29.11	\$29.84	\$30.59
Dispatcher, 1st 6 Months	24.25	\$24.86	\$25.48	\$26.12	\$26.77
Dispatcher, 2nd 6 Months	24.92	\$25.54	\$26.18	\$26.83	\$27.50
Dispatcher, 3rd 6 Months	25.71	\$26.35	\$27.01	\$27.69	\$28.38
Dispatcher, 4th 6 Months	26.28	\$26.94	\$27.61	\$28.30	\$29.01
Engineering Clerk, 1st 6 Months	22.38	\$22.94	\$23.51	\$24.10	\$24.70
Engineering Clerk, 2nd 6 Months	23.07	\$23.65	\$24.24	\$24.85	\$25.47
Engineering Clerk, 3rd 6 Months	23.78	\$24.37	\$24.98	\$25.60	\$26.24
Engineering Clerk, 4th 6 Months	24.41	\$25.02	\$25.65	\$26.29	\$26.95
GIS Technician, 1st 6 Months	-	\$26.11	\$26.76	\$27.43	\$28.12
GIS Technician, 2nd 6 Months	-	\$27.12	\$27.80	\$28.50	\$29.21
GIS Technician, 3rd 6 Months	-	\$28.42	\$29.13	\$29.86	\$30.61
GIS Technician, 4th 6 Months	-	\$30.08	\$30.83	\$31.60	\$32.39
Julie Clerk, 1st 6 Months	22.38	\$22.94	\$23.51	\$24.10	\$24.70
Julie Clerk, 2nd 6 Months	23.07	\$23.65	\$24.24	\$24.85	\$25.47
Julie Clerk, 3rd 6 Months	23.78	\$24.37	\$24.98	\$25.60	\$26.24
Julie Clerk, 4th 6 Months	24.41	\$25.02	\$25.65	\$26.29	\$26.95
Meter Technician, 1st 6 Months	-	\$26.11	\$26.76	\$27.43	\$28.12
Meter Technician, 2nd 6 Months	-	\$27.12	\$27.80	\$28.50	\$29.21
Meter Technician, 3rd 6 Months	-	\$28.42	\$29.13	\$29.86	\$30.61
Meter Technician, 4th 6 Months	-	\$30.08	\$30.83	\$31.60	\$32.39

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PURCHASING DEPARTMENT

Purchasing Agent, 1st 6 Months	31.18	\$31.96	\$32.76	\$33.58	\$34.42
Purchasing Agent, 2nd 6 Months	32.55	\$33.36	\$34.19	\$35.04	\$35.92
Purchasing Agent, 3rd 6 Months	34.76	\$35.63	\$36.52	\$37.43	\$38.37
Purchasing Agent, 4th 6 Months	36.44	\$37.35	\$38.28	\$39.24	\$40.22

ACCOUNTING DEPARTMENT

Comptroller, 1st 6 Months	36.41	\$37.32	\$38.25	\$39.21	\$40.19
Comptroller, 2nd 6 Months	37.81	\$38.76	\$39.73	\$40.72	\$41.74
Comptroller, 3rd 6 Months	39.99	\$40.99	\$42.01	\$43.06	\$44.14
Comptroller, 4th 6 Months	41.62	\$42.66	\$43.73	\$44.82	\$45.94
Accounting Clerk, 1st 6 Months	24.25	\$24.86	\$25.48	\$26.12	\$26.77
Accounting Clerk, 2nd 6 Months	24.92	\$25.54	\$26.18	\$26.83	\$27.50
Accounting Clerk, 3rd 6 Months	25.71	\$26.35	\$27.01	\$27.69	\$28.38
Accounting Clerk, 4th 6 Months	26.28	\$26.94	\$27.61	\$28.30	\$29.01

BILLING DEPARTMENT

Payroll & Benefits Specialist, 1st 6 Months	31.18	\$31.96	\$32.76	\$33.58	\$34.42
Payroll & Benefits Specialist, 2nd 6 Months	32.55	\$33.36	\$34.19	\$35.04	\$35.92
Payroll & Benefits Specialist, 3rd 6 Months	34.76	\$35.63	\$36.52	\$37.43	\$38.37
Payroll & Benefits Specialist, 4th 6 Months	36.44	\$37.35	\$38.28	\$39.24	\$40.22
Member Services Representative – 1 st 6 Months	-	24.86	25.48	26.12	26.77
Member Services Representative – 2 nd 6 Months	-	\$25.54	\$26.18	\$26.83	\$27.50
Member Services Representative – 3 rd 6 Months	-	\$26.35	\$27.01	\$27.69	\$28.38
Member Services Representative – 4 th 6 Months	-	\$26.94	\$27.61	\$28.30	\$29.01
Cashier Receptionist - Greenville, 1st 6 Months	22.38	\$22.94	\$23.51	\$24.10	\$24.70
Cashier Receptionist - Greenville, 2nd 6 Months	23.07	\$23.65	\$24.24	\$24.85	\$25.47
Cashier Receptionist - Greenville, 3rd 6 Months	23.78	\$24.37	\$24.98	\$25.60	\$26.24

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Cashier Receptionist - Greenville, 4th 6 Months	24.41	\$25.02	\$25.65	\$26.29	\$26.95
Cashier Receptionist - St. Jacob, 1st 6 Months	22.38	\$22.94	\$23.51	\$24.10	\$24.70
Cashier Receptionist - St. Jacob, 2nd 6 Months	23.07	\$23.65	\$24.24	\$24.85	\$25.47
Cashier Receptionist - St. Jacob, 3rd 6 Months	23.78	\$24.37	\$24.98	\$25.60	\$26.24
Cashier Receptionist - St. Jacob, 4th 6 Months	24.41	\$25.02	\$25.65	\$26.29	\$26.95
Custodian, 1st 6 Months	22.38	\$22.94	\$23.51	\$24.10	\$24.70
Custodian, 2nd 6 Months	23.07	\$23.65	\$24.24	\$24.85	\$25.47
Custodian, 3rd 6 Months	23.78	\$24.37	\$24.98	\$25.60	\$26.24
Custodian, 4th 6 Months	24.41	\$25.02	\$25.65	\$26.29	\$26.95

IT DEPARTMENT

I/T Technical Support, 1st 6 Months	-	\$26.11	\$26.76	\$27.43	\$28.12
I/T Technical Support, 2nd 6 Months	-	\$27.12	\$27.80	\$28.50	\$29.21
I/T Technical Support, 3rd 6 Months	-	\$28.42	\$29.13	\$29.86	\$30.61
I/T Technical Support, 4th 6 Months	-	\$30.08	\$30.83	\$31.60	\$32.39

APPENDIX B

SELECTING PANEL OF ARBITRATORS

Procedures for 3.1e

Within ten (10) days after the Cooperative has been notified by the Union of its desire to arbitrate the grievance, representatives of the Cooperative and the Union shall meet to select an arbitrator. The parties shall select the arbitrator from the appropriate panel of seven (7) names. In this regard, the parties have agreed to twenty-one (21) acceptable arbitrators. These twenty-one (21) arbitrators shall be divided into three (3) panels of seven (7) by drawing the names from a bowl, as panels A, B, & C, and utilized in order of selection which arbitrators shall be designated. Once each of the three (3) panels has been used, the parties will again follow the same procedure and pick three (3) new panels utilizing the same arbitrators. However, each year each party shall be free to remove up to two (2) arbitrators from the approved list. This shall be done on an agreed upon date in May of each year. In addition, if arbitrators become unwilling or unable to serve, they shall be replaced as soon as possible after the parties have been so notified. If for any reason an arbitrator is being replaced, the parties will attempt to agree on a replacement. If the parties fail to agree within thirty (30) days after the need to replace becomes known, the parties shall request the American Arbitration Association (AAA) to name a panel of seven (7) arbitrators. Either party may request a new panel of arbitrators within five (5) days of receipt of the panel. Within seven (7) days after receipt of such panel, the parties' designated representatives shall meet for the purpose of selecting the replacement arbitrator. The parties shall alternatively strike names from the list until one (1) arbitrator remains. The parties will take turns making the first strike each time a replacement arbitrator is selected.

APPENDIX C

INACTIVE EMPLOYEES

The following has been extracted from the May 1, 2004 Hogue grievance Settlement Agreement. For additional details, refer to the Settlement Agreement in its entirety.

There are two categories of employees, Active and Inactive. Inactive employees are classified as either: Inactive Less Than 27 Months (LT27); or Inactive Greater Than 27 Months (GT27).

A. Inactive Less Than 27 Months (LT27)

- (i) As long as the LT27 employee qualifies for Long Term Disability (LTD), then an LT27 employee and his eligible dependents will be entitled to participate in the group medical and prescription drug plans (Section 15.3); the Retirement & Security Program; basic employee group term life and Accidental Death & Dismemberment (AD&D) insurance; and dependent group term life insurance (Section 15.2) on the same basis (i.e. same benefits, premiums, etc) that the Employer provides for Active employees – up to 27 months after the date that the employee was last actively employed by the Employer. Under no circumstance will any employee be eligible to receive more than 27 months total during their tenure of employment. For example, Employee Smith was inactive for 20 months during which he qualified and received LTD benefits, then recovered from his injury and returned to work, and then at some later point during his tenure at Southwestern Electric, he sustained another injury that qualified for LTD. In this instance, Employee Smith would only be eligible for an additional seven months of benefit contributions from the Employer while he is inactive.
- (ii) If in the event the employee who has been Inactive fails to qualify for LTD, then that employee will be required to pay the costs associated with the benefits package. Furthermore, nothing in this agreement waives either the right of the Employer to exercise its right to terminate an inactive employee as outlined elsewhere in the Collective Bargaining Agreement (CBA) or in the Summary Plan Description, and/or the right of the employee to grieve the termination under the just cause standard in the CBA.

Inactive Greater Than 27 Months (GT27)

- (i) A GT27 employee may elect to continue health insurance and life insurance benefits at their expense.
- (ii) As long as the GT27 employee qualifies for Long-Term Disability (LTD), under the current plan an employee will continue to accrue “years of service” for each year that the employee remains inactive until the employee earns the 30-years of service required for an unreduced normal retirement benefit under the Employer’s Retirement & Security Program. Under the current plan, a GT27 employee is not required to be covered under the health insurance in order to continue earning pension credits.

The Union acknowledges that the Employer’s benefit package is administered and controlled by NRECA. The Employer has no control whatsoever as to when or if, NRECA changes its policies regarding benefits available to Active and Inactive employees, those changes will apply to the Employer’s obligations under this Agreement.

This Agreement will not affect the existing rights of Active Employees to benefits when off work due to illness or injuries that are not long-term disabilities.

SIGNATURE PAGE

Southwestern Electric Cooperative, Inc.

Local Union Number 702

International Brotherhood of Electrical
Workers AFL-CIO

BY: Billy R. Wotila

BY: Steve Hugpart

DATE: 08/02/2018

BY: Scott Leiby

DATE: 8-6-2018

