

ARTICLES OF AGREEMENT

Between

IBEW Local Number 702



And

Southwestern Electric Cooperative, Inc.



Your Touchstone Energy® Cooperative 

for

Power Plant 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

NONDISCRIMINATION

- 1.1 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.
- 1.2 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 2

RECOGNITION

- 2.1 The Cooperative recognizes the Local Union Number 702 of the IBEW as the exclusive bargaining agent and representative of its power generation employees. Office clerical, professional employees, guards, and supervisors as defined in National Labor Relations Act, and production, maintenance and construction distribution employees are specifically excluded from this Agreement.
- 2.2 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 2.2, 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 2.2, 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 18 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 3

UNION SECURITY

- 3.1 It shall be a condition of employment that all employees of the Cooperative covered by this Agreement who are members of the Union in good standing on the execution date of this Agreement shall remain members in good standing, and those who are not members on the execution date of this Agreement, become and remain members in good standing in the Union. It shall be a condition of employment that all new employees covered by this Agreement, and former employees returning to work, become and remain members in good standing in the Union. 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 Local Representative of the Union for instructions and advice concerning the Union Shop requirements of this Agreement.
- 3.2 The Cooperative shall have the sole right to employ whomsoever it chooses without regard to membership or non-membership in the Union, except that after thirty (30) days, all new employees shall become members of the union. At the request of the Cooperative, the Union shall make reasonable efforts to furnish the Cooperative with such workmen within the classifications herein as the Cooperative may request.

ARTICLE 4

RIGHTS OF MANAGEMENT

- 4.1 The Union agrees to and recognizes that the management of the business, 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, is vested in and reserved to the Cooperative, subject to the restrictions of this Agreement.

- 4.2 Nothing in this Agreement shall be construed to require the Cooperative to employ any person not required in the proper and efficient operation of its properties.
- 4.3 Discipline shall be progressive in nature after a thorough investigation. The employer shall have the right to suspend or discharge for just cause.
- 4.4 It is understood and agreed to that no member of the Union shall be discriminated against or denied employment because of their legitimate activities in matters affecting the Brotherhood unless such activities result in the willful destruction, or attempted destruction of the Cooperative's property.
- 4.5 In the event that the Cooperative desires to contract work, it is mutually agreed between parties that such work can be contracted provided that no regularly employed person is laid off in order to contract such work.

ARTICLE 5
WAGES AND JOB CLASSIFICATIONS

| 5.1 Classification | Current Rate | Effective Date | | | |
|------------------------|--------------|----------------|--------------|--------------|--------------|
| | | 7/1/2018 | 7/1/2019 | 7/1/2020 | 7/1/2021 |
| | | 2.50% | 2.50% | 2.50% | 2.50% |
| Power Plant Technician | \$45.82 | \$46.97 | \$48.14 | \$49.34 | \$50.57 |

- 5.2 Second shift workers shall receive 3% of their hourly wage for shift premium.
- 5.3 Wages shall be paid every two (2) weeks on Friday, except when Friday is a holiday and then wages shall be paid on the Thursday before, all wages earned up to and including the preceding Friday.
- 5.4 When consistent with the practices of the Cooperative, arrangements are to be made so that employees shall receive their pay on the job.

ARTICLE 6

HOURS OF WORK – OVERTIME REQUIREMENTS

- 6.1 The regular workweek shall consist of not more than forty (40) hours, Monday through Friday inclusive. Normal starting time will be 6:00 a.m. with a one (1) hour window either way as dictated by the operating schedule. If a second shift is needed, it shall start seven (7) hours later than the first shift start time and end eight (8) hours later. A four (4) day, ten (10) hour workweek is allowed but must be mutually agreed to by both parties.
- 6.2 Employees will be given their preference of shift based on seniority. If employees cannot agree to cover both shifts, the Cooperative will assign shifts on a rotating schedule.
- 6.3 Employees covered under this Agreement shall receive a twenty (20) minute paid lunch period and may not leave the premises during said period.
- 6.4 Overtime shall be paid at one and one-half (1½) times an employee's regular hourly rate of pay for all hours worked in excess of eight (8) continuous hours and all hours worked in excess of forty (40) hours in any one (1) week. If a 4-10 schedule is implemented as allowed for in section 6.1, overtime shall be paid for all hours worked in excess of ten (10) continuous hours. Overtime shall be divided equally and impartially among the employees covered under this Agreement. If unable to find sufficient volunteers, overtime will be assigned. The Cooperative will make every effort to honor requests for time off in emergency overtime situations.
- 6.5 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, the employee shall lose no time thereby. Time worked in excess of sixteen (16) continuous hours shall be paid for at not less than two (2) times an employee's regular hourly rate of pay 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.
- 6.6 When employees are called for work on Sundays or holidays, they shall receive double-time for the time worked on Sundays and holidays only.

ARTICLE 7

BACKUP/SUBSTITUTE LABOR

- 7.1 To cover the power plant operations in the event the regular employees are absent, the Union shall make reasonable efforts to supply the Cooperative with qualified workmen.
- 7.2 If the Union is unable to supply qualified workmen, or in an emergency situation, management and professional staff shall be allowed to operate and maintain the equipment to the extent necessary.

ARTICLE 8

HOLIDAYS

- 8.1 The following will be recognized as holidays.

New Year's Day

Good Friday

Memorial Day

Independence Day

Labor Day

Veteran's Day

Thanksgiving Day

Friday after Thanksgiving Day

½ Day for Christmas Eve Day (last 4 hours of day)

Christmas Day

½ Day for New Year's Eve Day (last 4 hours of day)

Employee's Birthday

If a holiday falls on a Saturday, it will be observed on the Friday before. If a holiday falls on a Sunday, it will be observed the Monday following.

- 8.2 All employees covered herein shall receive eight (8) hours of regular pay for each of the above holidays or the days celebrated therefore. When an employee is required to work on days designated as holidays in this Agreement, they shall be paid double-time (in addition to the eight (8) hours of holiday pay) at their basic hourly rate for such hours.

ARTICLE 9

SENIORITY

- 9.1 Seniority shall be defined as the employee's continuous length of service with the Cooperative.
- 9.2 Seniority for each regularly paid employee who has been employed as such for six (6) months within a period of twelve (12) consecutive months under this Agreement, shall begin as of the first day of employment unless their seniority has been broken as provided in Article 9, Section 4. If an employee's seniority has been broken and the employee is re-employed, then and in that event, the employee's seniority, after having been re-employed for a period of six (6) months within a period of twelve (12) months, shall begin on the first day of re-employment after their most recent loss of seniority hereunder.
- 9.3 When making a reduction in the number of employees due to lack of work 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 the inverse order of their established seniority.
 - c) The foregoing provisions of (a) and (b) need not apply when the application thereof would result in the Cooperative being required to layoff employees possessed of skill essential to properly perform the work available at the time of layoff not possessed by employees having seniority under the Agreement.
 - d) When adding employees, 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, providing they have the qualifications required.
- 9.4 Seniority shall be deemed to have been broken for the following reasons.
- a) If the employee resigns.
 - b) If the employee is discharged for just cause and not reinstated.
 - c) If the 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, they shall, however, not lose their seniority if said seniority exceeds twenty-four (24) months. In all other cases where an employee is laid off for more than twenty-four (24) consecutive months, the employee shall not lose their seniority unless the employee is laid off for a continuous period equal to the seniority they had acquired prior thereto. In the event an employee with five (5) or more years of service is laid off in excess of five (5) continuous years, then the seniority of such employee shall terminate.
- 9.5 The Cooperative will notify the Union of minimum qualifications for key positions or supervisory positions in the bargaining unit in advance. When making promotions and filling vacancies, the Cooperative will discuss qualifications of applicants with the Union before making a selection, but after discussion the Cooperative will have the sole right to make such selections. If more than one candidate meets the minimum qualifications for a key position, seniority shall prevail. This does not apply to supervisory positions.
- a) When vacancies occur or when new positions are created within the bargaining unit, the Cooperative will post a notice for a period of five (5) days (Saturdays, Sundays and holidays excluded) announcing the position. 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.
 - b) An employee promoted to a new position and new hires shall be given a reasonable opportunity, not to exceed six (6) months, to demonstrate their qualifications and ability. If an employee does not qualify in a reasonable time, the employee and the Union will be notified of the nature of the disqualification, and the employee shall be returned to the position formerly held.
 - c) Before bids are awarded, employees going from one major classification to another may be required to take a physical examination. The examination will be the same as that administered when new employees are hired and the results will be made known to the Cooperative. The Cooperative will pay for the examination.
- 9.6 An employee who has established seniority, if in the Cooperative's judgement 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.
- 9.7 Notwithstanding any of the terms hereof, an employee who has been laid off shall deem 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 during the month of December.

- 9.8 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.
- 9.9 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 five (5) days after they are pronounced recovered by the Cooperative's physician and they are physically qualified to return to work.
- 9.10 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 10

GENERAL RULES AND WORKING CONDITIONS

- 10.1 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 given two (2) weeks notice and shall be paid in full to and on the date of layoff. Employees shall not be laid off or transferred while other employees performing the same type of work are required to work beyond the normal tour of duty unless done so by mutual agreement, however, emergency overtime is allowed.
- 10.2 During the off peak season of the power plant operations, employees shall perform maintenance at the power plant. Employees may also be assigned to do other electrical or mechanical repair work that they are trained and qualified for, provided that they don't displace any of the Cooperative's distribution employees.
- 10.3 No employee covered under this Agreement shall absent themselves from duty without securing permission from the Plant Manager or Human Resources before doing so, and in case of illness, shall use every effort to notify the Plant Manager in ample time before working hours.
- 10.4 Employees shall be allowed one (1) 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 actually vote. This hour shall be granted during the time that the polls are open and will normally be the first scheduled working hour of the day.

- 10.5 The Cooperative shall furnish all tools and safety equipment for the proper and safe performance of the work and employees shall use every effort to preserve safety appliances and shall use them according to OSHA regulations. It is the responsibility of the employees to report all unsafe conditions to their supervisor. The safety supervisor will conduct routine inspections and is responsible for informing employees of any unsafe conditions and will provide employees with training and/or recommendations to correct any unsafe conditions.
- 10.6 The Cooperative will pay seventy-five percent (75%) and the employees will pay twenty-five percent (25%) for the cost of replacing prescription eyeglasses broken on the job.

ARTICLE 11

VACATION

- 11.1 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.
- 11.2 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.
- 11.3 Upon separation of employment, employees shall receive pro-rated vacation based on hours earned.

- 11.4 No more than one person may be off on vacation at any given time unless approved by the General Manager. All vacation time will be subject to the General Manager's approval.
- 11.5 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 the Plant Manager unless there is an emergency, in which case, as much notice should be given as possible.
- 11.6 Vacation and sick leave will stop accruing to an employee after a thirteen-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 scheduled outline in section 11.1 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 12

SICK LEAVE

- 12.1 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 up to 360 days and upon resignation or retirement the Cooperative will pay 25% of the accumulated days at the employee's rate of pay at the date of resignation or retirement. An employee must be employed at least five (5) years to receive payout on accumulated sick days.
- 12.2 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.

- 12.3 If an employee is off work five (5) continuous days due to an illness, the employee must provide the Cooperative with verification of all Doctor's appointments no later than the next working day after the appointment is made.
- 12.4 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.
- 12.5 Employees shall not be paid for sick leave if they have not notified their supervisor in advance of their absence.
- 12.6 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.

ARTICLE 13

FUNERAL LEAVE

- 13.1 Employees are entitled to paid funeral leave at their regular rate of pay when a death occurs in their immediate family as follows:
- 13.2 Employees shall receive their regular rate of pay for up to three (3) days because of death of spouse, children, brother, sister, parents, grandparents, grandchildren, step-parents, step-siblings, and step-children.
- 13.3 Employees shall receive their regular rate of pay for up to two (2) days because of the death of an in-law, meaning parent-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law.
- 13.4 Employees shall notify their supervisor in advance of taking funeral leave.

ARTICLE 14

JURY DUTY

- 14.1 The Cooperative shall pay the difference between an employee's regular rate of pay and jury duty pay. The employee must submit to the Cooperative a copy of the jury notice and evidence of the fee received from the court.

ARTICLE 15

HEALTH, DISABILITY, AND LIFE INSURANCE PROVISIONS

- 15.1 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 B for additional guidelines on inactive employees who qualify for LTD.
- 15.2 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.
- 15.3 The Cooperative shall 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.

ARTICLE 16

RETIREMENT AND 401K

- 16.1 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.
- 16.2 The Cooperative will contribute five percent (5%) of the employee's straight-time pay to the 401k plan.

ARTICLE 17
UNION MEMBERSHIP DUES AND INITIATION FEE

- 17.1 Upon receipt of voluntary written authorization, the Cooperative agrees to deduct and forward to the Financial Secretary of the Union the membership dues, including the initiation fee, from the pay of each IBEW Local Number 702 member. The amount deducted shall be the amount specified in the approved Union Bylaws. Such amount shall be certified to the Cooperative by the Union upon the request of the Cooperative. Union dues will be checked-off of pay only on the separate written order of the individual employee subject to revocation by him at any time by means of a separate written order. The Cooperative will notify the Union at once on the receipt of any such notice of revocation.
- 17.2 Upon written authorization, the Cooperative agrees to deduct IBEW COPE funds from an individual's payroll check and forward said deduction to the Union monthly.

ARTICLE 18
GRIEVANCE AND ARBITRATION PROCEDURES

- 18.1 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 A 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 19

NO STRIKE – NO LOCKOUT

- 19.1 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.

ARTICLE 20

SEPARABILITY

- 20.1 The provisions of this Agreement are deemed to be separable to the extent that if and when federal or state law, rule, or regulation conflicts with any provision of this Agreement. 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. This shall not affect the validity of the remaining portion of this Agreement, but such remaining provisions shall continue in full force and effect.

APPENDIX A

SELECTING PANEL OF ARTIBRATORS

Procedures for 18.1e

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 B

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 to 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.

B. 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 “year 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. Wood

BY: Steve Hughart

DATE: 08/02/2018

BY: Scott Kirby

DATE: 8-6-2018

