

A G R E E M E N T

Between

PENNSYLVANIA AMERICAN WATER COMPANY
BROWNSVILLE OPERATION

And

UTILITY WORKERS UNION OF AMERICA, AFL-CIO

LOCAL UNION NO. 537

Effective October 1, 2013

To

September 30, 2017

Table of Contents

AGREEMENT	2
WITNESSETH:	2
SECTION 1. RECOGNITION AND REPRESENTATION.....	2
SECTION 2. MANAGEMENT RIGHTS	2
SECTION 3. PUBLIC SERVICE.....	3
SECTION 4. NO STRIKE OR LOCKOUT	3
SECTION 5. ADJUSTMENT PROCEDURES	3
SECTION 6. DEDUCTION OF DUES.....	4
SECTION 7. UNION SECURITY	5
SECTION 8. NO DISCRIMINATION	5
SECTION 9. SELECTION OF EMPLOYEES BY THE COMPANY.....	5
SECTION 10. OBSERVANCE OF COMPANY RULES	6
SECTION 11. UNION BUSINESS.....	6
SECTION 12. NO SUBTERFUGE	6
SECTION 13. SENIORITY	7
SECTION 14. JOB BIDDING AND SELECTION	8
SECTION 15. SERVICE IN THE ARMED FORCES	9
SECTION 16. WAGES AND HOURS	9
(b) Shift Premiums:	9
(c) License Premiums:	9
SECTION 17. OVERTIME.....	11
(a) NETWORK EMPLOYEES	11
(b) PRODUCTION EMPLOYEES.....	11
(c) SHARING OF OVERTIME.....	12
(d) MEAL ALLOWANCES AND CALL-OUT PAY	12
(e) GENERAL	13
SECTION 18. HOLIDAYS AND PERSONAL LEAVE DAYS.....	13
SECTION 19. VACATIONS	16
SECTION 20. OTHER TERMS OF EMPLOYMENT	17
(a) Jury Duty, Witness Duty and Death in Family	17
(b) Inclement Weather	18
(c) Pay Days	18
(d) Uniforms	18
SECTION 21. WORK BY SUPERVISORS	19
SECTION 22. CONTRACTING OF WORK.....	19
SECTION 23. TECHNOLOGICAL CHANGES	19
SECTION 24. TEMPORARY EMPLOYEES	20
SECTION 25. SICK LEAVE	21
SECTION 26. INSURANCE AND WELFARE PLAN.....	22
SECTION 27. PENSION and 401(k) PLANS.....	23
SECTION 28. BULLETIN BOARDS.....	23
SECTION 29. UNION-MANAGEMENT CONFERENCES	23
SECTION 30. JURISDICTION	23
SECTION 31. LEAVE OF ABSENCE FOR UNION BUSINESS	23

SECTION 32.	SUCCESSOR.....	26
SECTION 33.	DURATION OF AGREEMENT.....	26
APPENDIX “A”	28
	GROUP INSURANCE PLAN.....	28
APPENDIX “B”	29
	PENSION PLAN.....	29
APPENDIX “C”	30
	SECTION 1. WAGES AND HOURS - PRODUCTION EMPLOYEES.....	30
	SECTION 3. WAGES AND HOURS - NETWORK EMPLOYEES.....	30
	SECTION 4. STARTING RATE OF PAY FOR NEWLY HIRED PERSONS.....	31
APPENDIX “D”	32

AGREEMENT

AGREEMENT made and entered into as of October 1, 2013, by and between PENNSYLVANIA AMERICAN WATER COMPANY – BROWNSVILLE OPERATION and its successors and assigns, party of the first part, hereinafter usually referred to as the "Company" and System LOCAL UNION NO. 537, UTILITY WORKERS UNION OF AMERICA, affiliated with the A.F.L. - C.I.O., party of the second part, hereinafter usually referred to as the "Union" acting for itself and as the representative of employees of the Company in the Bargaining Unit:

WITNESSETH:

The Company and Union in recognition of the fact that the Company is in the business of supplying safe, dependable, efficient and reasonably priced service to the communities that it serves and that it may serve in the future, and in recognition of the parties' obligation to cooperate with each other, and in consideration of the obligation hereinafter set forth by each of the parties to be kept and performed, do hereby agree as follows:

SECTION 1. RECOGNITION AND REPRESENTATION

The Union is hereby recognized and accepted by the Company as the sole and exclusive agency for all employees, permanent and temporary, of the Company except employees engaged as clericals and professionals, guards and supervisors. The Company agrees that it will negotiate with the accredited representatives of employees in the Company and the Bargaining Unit represented.

This representation is limited to the bargaining unit established in the American Arbitration Association Election No. xx xxx xxxx 2006 and any additions to or deletions from said unit as may be mutually agreed upon by the parties.

SECTION 2. MANAGEMENT RIGHTS

Except as specifically limited by this agreement, the Company retains and shall continue to have the sole and exclusive right to manage the facilities, operations and work force covered by this agreement. The Company shall continue to retain the supervision, direction and control of its property and operations; the right to determine how many employees it will employ or retain in various capacities and the size and composition of the work force; the right to hire, promote, demote, transfer, layoff and recall employees; the right to assign work as determined by the Company; the right to establish and amend rules pertaining to the operation of the facilities and the conduct of employees; the right to discipline, suspend or discharge employees for just cause; the right to schedule operations, shifts and hours of work, and the right to decide work processes and the type and quality of service and the method of distributing all products and services.

It is the intention of the parties that this section shall not alter or supersede other provisions of this contract specifically covering any matter. The above-listed management rights are not to be

interpreted as being all-inclusive, but merely indicate the types of rights which are reserved to management. It is also the intention of the parties that nothing herein contained shall serve to deny, or constitute a waiver of the right of the company to exercise other normal functions of management not enumerated herein.

SECTION 3. PUBLIC SERVICE

The parties recognize that the Company is in the business of supplying a safe, dependable, efficient and reasonably priced essential public service that vitally affects the health, safety, comfort and general well-being of a large number of people in the communities that it serves and that it may serve in the future, and both of the parties to this agreement recognize their obligation to co-operate with each other in their mutual responsibility to the public to provide this service.

SECTION 4. NO STRIKE OR LOCKOUT

In furtherance of harmonious relations among employees, the management and the public, it is mutually agreed by the parties hereto that there shall be no lockout, strike, work stoppage or intentional slowdown during the term of this Agreement. The Company shall have the authority to discipline any employee or employees engaged in any unauthorized strike, work stoppage or intentional slowdown in violation of this paragraph, subject to the right of the disciplined employee(s) to submit a grievance under the terms of this agreement.

SECTION 5. ADJUSTMENT PROCEDURES

(a) In recognition of the fact that the Company and its employees represented by the Union have mutual responsibility to the public which requires that disagreements arising between the employees and the management be settled in an orderly way without interruption to water service, it is agreed that differences which may arise between the employees and management regarding the interpretation and application of this agreement shall be adjusted in accordance with the provisions of the succeeding paragraphs of this Section.

(b) Any grievance which shall arise between the Union or the employees and the Company during the term of the Contract shall normally be adjusted by direct contact between the employee and his/her supervisor or through a union representative. Where such grievances cannot be adjusted in that manner, they shall be settled by the following procedures:

(1) First Step: If the answer received from the immediate supervisor is unsatisfactory or if the supervisor fails to give an answer, the Union may, within ten (10) working days from the date the grievance occurred, present the grievance in writing and submit the same to the Department Head or his/her designee. The Department Head or his/her designee shall reply in writing within five (5) working days upon receipt of the written grievance.

(2) Second Step: If the answer received at the first step is unacceptable, the Union may, within ten (10) working days from the date the answer is received, appeal the answer to the Human Resources Manager or designee and appropriate Operating Manager. If so appealed, a meeting shall be held between the Human Resources Manager and appropriate Operating Manager and the Local Union officers. The Human Resources Manager and/or appropriate Operating Manager shall reply in writing within ten (10) working days of the meeting.

(3) Third Step: Within thirty (30) days of receipt of the answer from the Human Resources Manager and appropriate Operating Manager, the Union may file a request for a panel of arbitrators with the Federal Mediation and Conciliation Service with notice to the Company. The request for a panel of arbitrators shall specify that a list of seven (7) arbitrators, all of whom are members of the National Academy of Arbitrators, shall be provided to the parties. Within ten (10) days of receipt of the list, either party may request the Federal Mediation and Conciliation Service to provide the parties a second list of arbitrators, also composed of seven (7) persons who are members of the National Academy of Arbitrators. If a second list is requested, selection of an arbitrator shall be made as hereinafter set forth from the second list. If no second list is requested, selection of an arbitrator shall be made from the initial list so provided. Selection of an arbitrator shall be made by each party alternately striking the name of one arbitrator from the list until the name of one arbitrator remains. The last arbitrator remaining shall be the arbitrator selected to hear the grievance. If the grievance involves a matter of discipline, the Company shall first strike the name of an arbitrator from this list; otherwise the Union shall first strike the name of an arbitrator from the list. Nothing contained herein shall be construed to forbid the parties from mutually agreeing to the selection of an arbitrator between them, so long as the time limitations of this section are complied with or waived pursuant to Paragraph (5) of this Section.

(4) The Arbitration Hearing shall be scheduled with all reasonable dispatch and the Arbitrator shall render his decision within thirty (30) days after the close of the hearings, and such decision shall be final and binding upon both parties. The Arbitrator shall have no authority to add to, subtract from, alter or modify the terms of this Agreement and the expense of the Arbitrator shall be shared equally by the parties. The arbitration hearing shall be held at a mutual agreeable location and the hearing room accommodations shall be shared equally by the parties.

(5) It is expressly understood that the time limitations set forth in this Agreement are of the essence and may only be waived in writing signed by a representative of each of the parties. In the event that the Company fails to comply with any time limitation hereunder, the grievance as submitted shall be deemed to have been advanced to the next step. If the Union or the employee fails to comply with any time limitation hereunder, the grievance shall be deemed to have been withdrawn.

(6) Copy of all correspondence to the Union shall be sent to the system Union president by the Company.

SECTION 6. DEDUCTION OF DUES

The Company agrees to deduct from the wages of all full time employees, Union dues and assessments provided the Company has been authorized to do so by the execution of an appropriate

authorization form which complies with the provisions of the Labor Management Relations Act of 1947, as amended, and turn over all monies to the Union's financial secretary. The financial secretary of the Union is to notify the appropriate Operations Manager in writing of any change in the amount to be deducted by the Company from the pay due each member of the Union.

SECTION 7. UNION SECURITY

The Company agrees that as a condition of employment, all employees in the Bargaining Unit, permanent and temporary, as of the effective date of this contract who are not members of the Union shall become members of the Union not later than thirty days after said effective date of the Contract. All new employees, permanent and temporary, shall be required to become members of the Union after thirty days from the date of employment. All employees who are or become members of the Union shall remain members in good standing for the duration of this Contract. The Company further agrees that, as a condition of employment, all employees in the Bargaining Unit, permanent and temporary, as of the effective date of this contract, shall pay such periodic dues and assessments as may be required by the Union's constitution and by-laws, including, without limitation, all Union dues and assessments and all Union service fees. "Good standing" means that an employee has timely paid all such periodic dues and assessments as may be required by the Union's constitution and by-laws, including, without limitation, all Union dues and assessments and all Union service fees.

SECTION 8. NO DISCRIMINATION

It is recognized by the parties herein that the Company is an Equal Opportunity Employer whose employment policies and personnel practices are such as to insure that all employees and individuals, including disabled individuals and disabled veterans and veterans of the Vietnam era, are treated equally and that recruiting, hiring, training and promoting persons in all job classifications shall be done without regard to race, color, age, religion, national origin, qualifying disability, or sex, except where sex is a bona fide occupational qualification or under a bona fide seniority or merit system; that decisions on employment shall be made so as to further the principle of equal employment opportunity; that decisions with regard to promotion are in accord with principles of equal employment opportunities; that all personnel actions, such as compensations, benefits, transfer, layoffs, return from layoff, Company sponsored training, education tuition assistance, social and recreation programs will be administered without regard to race, color, age, religion, national origin, qualifying disability, or sex.

In all sections of this Contract, any reference to gender shall mean either sex.

SECTION 9. SELECTION OF EMPLOYEES BY THE COMPANY

It is recognized by the parties hereto that in the operation of the water works property of the Company, on account of the responsibility to supply at all times a safe and adequate supply of water to the communities served and their inhabitants, there can be no division of this responsibility, and it is agreed that the Company, therefore, must be unhampered in the selection of its employees.

SECTION 10. OBSERVANCE OF COMPANY RULES

- (a) The Company shall have the right at any time to adopt and put into effect reasonable rules and regulations not in conflict with this Contract. The Company agrees to furnish the Union a copy of any such rules and regulations in advance of publication.
- (b) The Union agrees that its officers and members will comply with the Company's rules and regulations which shall be posted in each department where they may be read by all employees.
- (c) Any disciplinary action by the Company or the reasonableness of any rule to which objection is raised by the Union will be subject to the grievance procedure in Section 5.
- (d) No employee shall be disciplined for any reason for which another employee is not impartially disciplined. No disciplinary measure, including discharge, will be imposed except for just cause. In cases of suspension or discharge, upon the request of either party, a meeting shall be held within 24 hours to discuss the facts of the case.
- (e) Letters of reprimand which are in excess of two (2) years old shall not be used as a basis of discipline in any program of progressive discipline.

SECTION 11. UNION BUSINESS

The Union and the employees agree that there will be no solicitation, interference, restraint or coercion of the Company's employees on the Company's premises or during working time. Working time includes all periods during the working day except assigned break periods and meal times. However, any authorized representative of the Union, upon permission obtained from the appropriate supervisor, shall be allowed the right of ingress to or egress from the Company's premises during working hours for the purpose of conferring with any employee who is a member of the Union, but such permission shall not be withheld on an unreasonable or arbitrary basis.

For the 2017 negotiations, the Company will pay the wages of two (2) members of the negotiating committee for up to five (5) working days for the purpose of preparing for and negotiating a new agreement. If said negotiations last longer than five (5) days, the parties shall negotiate with each other relative to the payment of the wages of the aforesaid two (2) members for such additional days of negotiation. The Union shall notify the Company prior to the beginning of negotiations of the name of the two (2) employees who will be entitled to reimbursement of wages for attending the negotiating sessions.

SECTION 12. NO SUBTERFUGE

The Union and the Company will not engage in subterfuge for the purpose of defeating or abating the provisions of this Agreement.

SECTION 13. SENIORITY

(a) For the purposes of this section, the following definitions shall apply:

(1) SENIORITY - Employee's seniority date shall mean his date of employment or his most recent date of hire in the event that seniority has been lost because of layoffs exceeding the schedule hereinafter provided.

(2) Length of Service (relevant to pension entitlement) is defined as the total accumulated period of an employee's active bargaining unit employment with the Company and/or the District, excluding periods of layoff, provided the employee has not lost seniority.

(3) Probationary Period: The probationary period shall be sixty (60) working days. It is agreed between the parties that seniority shall not exist until after completion of the probationary period. However, after completion of the probationary period, seniority shall revert to and be considered to have been in full force and effect from the beginning of the probationary period. While the Group Insurance Policy regulates coverage thereto, sick leave, holidays and other benefits covered by this Contract shall not be payable during the probationary period.

(b) It is agreed between the parties that an employee shall lose his/her seniority under the following circumstances:

(1) Voluntary termination of his employment.

(2) Discharge for cause.

(3) Upon failure to return to work when recalled after layoff within a period of 72 hours after notice by registered or certified mail has been received or refused by the employee as evidenced by the return receipt. Such notice shall be mailed to the employee's last known address.

(4) When layoff exceeds the following periods:

<u>If seniority is:</u>	<u>Seniority shall be lost after layoff exceeding:</u>
Less than six months	One month
Six months but less than one year	Three months
One year but less than two years	Six months
Two years but less than five years	One year
Five years but less than eight years	Three years
Eight years or over	Five years

(c) In order to avoid a layoff, any employee at the time of scheduled layoff, shall be permitted to bump, according to his/her company seniority, a junior employee in any bargaining unit job in

the Operation. The employee must be capable of performing the duties of the job into which he/she is bumping, and he/she shall be given a thirty (30) working day period within which to qualify for the job bumped into.

In any cases arising under the above, the Company reserves the right to temporarily fill any vacancy pending the operation of the procedure described herein.

(d) Provided it does not interfere with the orderly and efficient operation, employees shall be granted leaves of absence for good cause for a period of not more than ninety (90) days without prejudice to seniority, length of service or other rights.

(e) Upon execution of this Contract, the Company will make available to all employees Job Interest Bid sheet forms for all jobs covered by this agreement on which an employee shall indicate his preference to move to another job and/or shift in any or all departments of the Company.

All provisions of this Section shall be understood to be applicable only when in conformity with all Federal and State laws and regulations regarding equal employment opportunity.

SECTION 14. JOB BIDDING AND SELECTION

(a) Upon execution of this Contract, the Company will make available to all employees Job Interest Bid sheet forms for all jobs covered by this agreement on which an employee shall indicate his preference to move to another job and/or shift in any or all departments of the Brownsville District. When a vacancy occurs in any job, the employee with the highest seniority on the Job Interest form shall be awarded the job or shift. Probationary employees may sign job interest bid sheets within the Brownsville District where they are employed, and they will be considered for selection prior to hiring new employees if the probationary employee is determined by the Company to be qualified for the job involved.

Resulting vacancies shall be filled in the same manner. An employee must accept an awarded job. An employee may, after indicating his interest for a particular job, subsequently add or remove his name from any list for any job or shift by executing a Job Interest Change form. However, he may not again indicate his interest in that job or shift for a period of six (6) months nor may he indicate an interest in a job from which he has moved for a period of six (6) months.

Copies of all Job Interest Bid Sheets will be updated on a monthly basis and remain posted on all bulletin boards in all departments at all times.

Job Interest Bid sheets shall set forth the title of the position to be filled, hours of work, days of relief, rate of pay, and a basic outline of duties. However, such an employee may not rebid a job he/she has held during the preceding six (6) months. The Union will be provided with copies of all bid sheets. Nothing contained in this section shall require the company to fill any vacancy.

In the event a vacancy occurs in a newly created job classification or the addition of a job classification on a shift not previously listed on the existing Job Interest Bid Sheets while an employee is absent, the Union and Company will mutually undertake to notify such absent

employee of the vacancy. The absent employee shall have ten (10) working days from the date of posting in which to notify the Company in writing of his desire to apply for the subject vacancy.

It is further agreed between the parties hereto that all employees promoted or assigned to positions covered by the terms of the Agreement shall be given a sixty (60) working day trial period in the new position unless the Company and Union agree to a lesser time. In cases of any disagreement as to the employee's fitness, such difference shall be settled in accordance with Section 5 of this Contract. If he/she is unable to qualify, he/she may return to the job from which he/she came without the loss of seniority.

SECTION 15. SERVICE IN THE ARMED FORCES

Both parties agree to abide by and comply with all applicable Federal and State laws, rules and regulations applying to the reinstatement of employees who enter the Armed Forces of the United States.

SECTION 16. WAGES AND HOURS

(a) A schedule setting forth the wage rates, hours and related items for the various classifications and occupations covered by this agreement is hereby accepted by the parties hereto and is marked "Appendix C" and made a part hereof.

(b) Shift Premiums:

Except for employees assigned to day shift, employees who are assigned to a normally scheduled shift that includes the hours of 4:00 PM to midnight will be paid an additional 45 cents per hour shift differential for each hour worked during these hours, and employees who are assigned to work a normally scheduled shift that includes the hours of midnight to 8:00 AM will be paid an additional 55 cents per hour shift differential for each hour worked during these hours.

(c) License Premiums:

(1) The following premiums shall apply to all employees who meet the requirements set forth below:

	<u>Addition to Hourly Rate</u>
Operator/Maintenance with license	\$1.15 per hour
All other employees with operator license	\$1.15 per hour when operating plant,
All other employees with license (i.e., Operator/Distribution)	\$0.30 per hour

The above additional hourly rates apply to Operator/Maintenance Person regardless of duties performed. No employee shall be entitled to an additional Hourly Rate above \$1.15.

(2) The requirements for the above license premiums are as follows:

a. Production: To receive the premiums above stated, Operators/Maintenance must possess the appropriate class and sub-class of license for the plant(s), processes, and remote facilities they are operating or maintaining pursuant to the current DEP certification requirements. Employees with operator's license will receive the operator premium when performing as an Operator; when not performing as an operator, they will receive the \$0.30 hourly premium. If an existing Operator or Maintenance/Relief Operator moves to a plant that requires a higher class or sub-class license, he will have one year to upgrade his license, during which time he will maintain the premium. If he does not receive the appropriate upgrade within one year, he will lose the premium.

b. Network: Employees who obtained a waterworks operator license prior to January 1, 2005, or who have a class "E" Distribution License, will receive the \$0.30 per hour premium. They will be required to maintain their current license in order to continue to receive the premium.

(3) For employees originally hired from and after the effective date of this contract into the operator/maintenance position or a position that relieves an operator who are advised at the time of hire that they must obtain the appropriate class and sub-class of license for the plant(s), processes, and remote facilities they are hired to operate or maintain pursuant to the current DEP certification requirements, failure to take and pass the appropriate state certification examination within 24 months, and apply for certification within 6 months of achieving the minimum experience requirement for certification, if he or she had not already met the minimum experience requirement upon passing the certification test may, in the reasonable discretion of the company, result in termination. For an individual who is awarded the position of Operator/Maintenance or a position that relieves an Operator by virtue of a bid, or who obtains such a position by virtue of a bump, he or she must take and pass the appropriate state certification examination within 24 months, and apply for certification within 6 months of achieving the minimum experience requirement for certification, if he or she had not already met the minimum experience requirement upon passing the certification test. For all employees who bid or bump into, or who are hired into the position of Operator/Maintenance or a position that relieves an Operator, failure to meet the aforementioned requirements shall result in the loss of the certification premium.

(4) The company will pay, in accordance with the terms of the Educational assistance Plan, the tuition and/or fees for any employee required to engage in continuing education to retain any required certifications for the job currently held by the employee. At the company's discretion, employees may attend classes to obtain DEP Operator certification contact hour credits, during the employee's normal work hours. If the classes are offered at hours other than the employee's normal working hours, the company shall make reasonable efforts to allow the employee to attend the classes when offered without having to work on the day(s) that the classes are offered, and if the employee is permitted to attend the classes when offered, the company shall pay the employee his normal straight time wages for the shift that he would have worked.

SECTION 17. OVERTIME

(a) NETWORK EMPLOYEES

(1) Monday to Friday work week: one and one-half (1½) times the regular hourly rate for all hours worked on Saturday and two (2) times the regular hourly rate for all hours worked on Sunday except when working in production and the hours are assigned at least 24 hours in advance in which case the employee shall receive one and one-half times the regular hourly rate.

(2) Tuesday to Saturday work week: one and one-half (1½) times the regular hourly rate for all hours worked on Monday and two (2) times the regular hourly rate for all hours worked on Sunday except when working in production and the hours are assigned at least 24 hours in advance in which case the employee shall receive one and one-half times the regular hourly rate.

3) One and one-half (1½) times the regular hourly rate of pay shall be paid for all hours worked in excess of eight (8) in any twenty-four (24) hour period commencing with the beginning of the employee's regular scheduled shift in any calendar day except: (1) in the case of a shift or work week change caused by the employee bidding or bumping into another job or shift, and (2) in the case of a regularly scheduled shift of ten hours in which case time and one-half (1½) shall be paid for all hours worked in excess of ten hours in this same twenty-four hour period. This provision shall not be applicable for employees working on the Tuesday through Saturday shift in cases when his/her scheduled starting time for Saturday encompasses the 24 hour period.

(4) Double time shall be paid for any seventh work day, unless otherwise provided for elsewhere in this agreement.

(5) All hours worked in excess of forty (40) in any one work week.

(b) PRODUCTION EMPLOYEES

(1) One and one-half (1½) times the regular hourly rate shall be paid for:

a. All hours worked in excess of forty (40) in any one work week.

b. All hours worked in excess of eight (8) in any twenty-four (24) hour period. However, in the case of a network employee being assigned work in production, one and one-half (1½) times the regular hourly rate should be paid only to the extent that the hours worked in the twenty- four (24) hour period are continuous.

c. All hours worked on the first scheduled day off in any work week, provided that the employee was paid under the terms of the Contract for the five previous work days.

d. Two (2) times the regular hourly rate should be paid for all hours worked on the second of an employee's regular scheduled days off in any work week, except when the hours are assigned at least 24 hours in advance in which case the employee shall receive one and one-half times the regular hourly rate.

(2) Shift differential rates payable to the operator/maintenance persons shall be added after calculating the overtime rate.

(c) SHARING OF OVERTIME

a. (1) A Production overtime roster, based on seniority and qualifications, is utilized for callouts, unscheduled and scheduled overtime as needed. An availability list will be posted each December 1, for 10 days, to sign for scheduled plant overtime for the following year. An annual schedule will then be posted December 30th for all scheduled plant overtime. Employees who have signed the availability list will be able to switch if desired. However, it is the employee's responsibility to coordinate a replacement when switching and to notify the supervisor.

b. A non-production availability sheet for unscheduled overtime will be posted each December 1 for 10 (ten) days for the following year. If an employee fails to respond to call out overtime during the first six months, his name will be removed from the list for the last six months and he becomes ineligible for call out overtime during that time. If an employee does not sign the non-production availability sheet, they will not be called out for overtime for the following year.

(2) Telephone numbers should be given for where the employee may most likely be reached.

(3) The supervisor will determine the crew size needed and will fill the callout requirements by classification. If the supervisor is not able to fill the callout from within a classification, the supervisor will fill the need by any means possible.

(d) MEAL ALLOWANCES AND CALL-OUT PAY

(1) When an employee remains at work after completing his regular work day, he shall be entitled to a meal allowance or a meal at the following intervals:

One meal allowance at the end of the first two (2) hours of non-scheduled overtime.

One meal allowance at the end of every four (4) hour intervals thereafter during such non-scheduled overtime work.

(2) When an employee is called out after leaving for the day, or is called out on his off day (except with four (4) hours' notice), he shall be entitled to a meal allowance at the following intervals:

One meal allowance at the end of the first four (4) hours of call-out time and at four (4) hour intervals thereafter during such overtime work. No meal allowance shall be available during the employee's normal scheduled working hours on a normal scheduled shift.

(3) The meal allowance provided is fixed at \$ 7.50.

(4) Call-Out Pay: Employees called out to perform short time duties shall receive a minimum time allowance of two (2) hours at the applicable premium rate.

(e) GENERAL

In calculating entitlement to overtime, all time paid for at the employee's regular rate of pay, even if no work is performed for such pay, such as vacation, personal days, bereavement, jury duty and holiday pay, shall be treated as time worked.

No employee shall be paid both daily and weekly overtime for the same hours worked. Time for which overtime rates are paid under any provision of this Contract, except time worked on holidays, shall not be counted in determining eligibility for overtime under any other provision.

The Company agrees that employees may refuse to work overtime for urgent personal reasons. However, it is expected that employees shall make themselves reasonably available to work overtime. If an emergency exists which requires overtime work, the call out procedure as described above will be used. If, however, no employee desires overtime, then the lowest senior employee who can perform the required work shall be required to work the overtime.

Outside normal working hours the Company will make every effort to call network employees to perform non production work before utilizing production employees.

If an employee is required to work more than sixteen (16) consecutive hours in a twenty-four (24) hour period beginning with his regularly scheduled starting time, he/she shall be entitled to an eight (8) hour rest period before being required to again report for work. To the extent that any portion of the eight (8) hour rest period extends beyond his/ her regularly scheduled work day, he/she shall be paid for such hours at the applicable hourly rate.

SECTION 18. HOLIDAYS AND PERSONAL LEAVE DAYS

(a) Holidays: The following holidays will be recognized for the purposes set forth in the subsequent paragraphs of this Section:

New Year's Day

Thanksgiving Day

Good Friday	Day after Thanksgiving Day or Monday after Thanksgiving**
Memorial Day*	Day before Christmas
Fourth of July	Christmas Day
Labor Day*	

*To be celebrated on Monday in accordance with federal holiday schedule.

** Either/or – Choice must be scheduled at the same time vacations are being scheduled for the coming year. Either day cannot exceed seventy-five (75) percent of the workforce off. Vacation and/or personal days are not to be used for either day.

Except for the Tuesday-Saturday and Wednesday-Sunday shifts, when any holiday falls on Sunday, it will be observed on the following Monday. For the Tuesday-Saturday and Wednesday-Sunday shifts, when any holiday falls on a Saturday or a Sunday, it will be observed on the day upon which it falls.

When a holiday falls on a Sunday, it will be observed on the following Monday.

(1) When not required to work on any of the foregoing holidays, every regular employee covered by this Contract, shall be paid a holiday bonus equal to his regular hourly rate of pay multiplied by the number of normally scheduled hours.

(2) Each employee will normally not be required to work on any of the foregoing holidays, but when required to work, will be paid the holiday bonus described in the immediately preceding paragraph in addition to one and one-half (1½) times his regular hourly rate during all hours which would otherwise be normal working hours, and two (2) times the regular hourly rate for all other hours worked that day except when working in production and the hours are assigned at least 24 hours in advance in which case the employee shall receive one and one-half times the regular hourly rate.

(3) When a holiday falls on an employee's scheduled work day, the hours normally worked or the hours actually worked, whichever is greater, shall be used in determining eligibility for weekly overtime. When a holiday falls on a day when the employee is not scheduled to work, only the hours actually worked shall be used in determining eligibility for weekly overtime.

(4) When a holiday occurs on a scheduled working day during a vacation period, all regular employees covered by this Contract shall be allowed an extra day's vacation to be taken at such time as work requirements will permit, or at the option of the employee, shall receive an extra normal day's pay at regular hourly rates.

(5) The Company agrees to grant each regular employee four personal days of absence (other than a scheduled holiday as set forth in this Contract) with pay in an amount equal to his basic hourly rate of pay multiplied by the number of normally

scheduled hours. Said employee will attempt to give at least forty-eight (48) hours advance notice of his request for a personal day to permit the Company to schedule its work program. The Company reserves the right to limit the number of employees absent at one time.

B. Any employee who, on either his or her last scheduled work day before any of the above enumerated holidays or on the first of his or her scheduled work days after any of the above enumerated holidays receives only partial pay in the form of (1) accident and sickness benefits not constituting a full day's pay, (2) worker's compensation benefits not constituting a full day's pay or (3) receives no pay, shall not receive holiday pay for the holiday in question. However, notwithstanding the foregoing, an employee who is absent from work on his or her last scheduled day before any such holiday or his or her first scheduled day after any such holiday, while on leave of absence for Union business, or while on leave of absence for a period of one (1) week or less pursuant to the Family Medical Leave Act, or while on an absence for a period of one (1) week or less which absence is approved by the Company, shall not forfeit his or her applicable holiday pay.

(b) Personal Leave Days

(1) Each regular employee is granted four (4) Personal Leave Days (in addition to scheduled holidays) with normal pay. Each employee will request his/her personal Day off at least forty-eight hours in advance, except in the event of a personal emergency. The Company reserves the right to limit the number of employees absent at one time to two (2) or 10% of such workforce whichever is greater, except during the months of December, January and February which shall be restricted to 10%. *

*Restrictions include Vacation & Personal Leave

(2) Employees may utilize one personal day in increments of no less than one hour for the express purpose of attending to routine personal matters. The employee will notify the company at least one week in advance of their desire to utilize personal time in this fashion, unless prevented from doing so by an emergency situation. Examples of when one-hour increments may be used include: scheduling routine annual physicals, annual eye/auditory examinations, annual dental examinations, other wellness appointments and legal consultations. While the intent is not to preclude every situation which may arise, some examples of when this available time may not be used include: to start vacation or a weekend early or to return from vacation or a weekend late, follow up examinations or appointments for a prior illness, etc.

(3) Personal days must be taken during the calendar year or they are forfeited. There shall be no carryover of unused personal days. Any earned and unused personal days must be used prior to leaving the company. Pay in lieu of personal days is not permitted.

(4) Personal days are earned at the rate of two every six months, beginning January 1. Personal days may be taken prior to being earned in a calendar year, but if an employee

leaves the company's employ and has taken personal days not yet earned, the value of those days will be deducted from the last paycheck due to the employee.

(5) Personal days shall be awarded to newly hired employees as follows:

Employees hired between January 1 and June 30 - 4 personal days
Employees hired between July 1 and November 30 - 2 personal days

SECTION 19. VACATIONS

(a) Beginning January 1 of each year, each full time employee shall be entitled to a vacation within a calendar year based upon the employee's "Completed Years of Continuous Service" during that calendar year, as follows:

<u>Years of Service</u>	<u>Vacation</u>
1 year	10 days
2 years	11 days
3 years	12 days
4 years	13 days
5 & 6 years	15 days
7 & 8 years	16 days
9 & 10 years	17 days
11 & 12 years	18 days
13 & 14 years	19 days
15 & 16 years	20 days
17 & 18 years	21 days
19 & 20 years	22 days
21 & 22 years	23 days
23 & 24 years	24 days
25 or more years	25 days

(b) Employees hired during the current vacation year will be entitled to one day of vacation for each "Completed Month of Continuous Service" up to 10 days. No credit will be given for a partial month of work. This vacation time may be taken at any time after one "Completed Month of Continuous Service".

(c) Up to five days of unused vacation may be carried into the next calendar year. All vacation carried over from prior years into 2006 must be used by December 31, 2006. All vacation carried over into 2007 or later years must be used by the end of the first quarter of the next year. If an employee is prevented from taking vacation by the end of the vacation year due to accident or illness, the employee will be paid for all unused vacation time.

(d) Upon termination of employment, all earned but unused vacation will be paid for, except that all earned vacation must be taken prior to retirement. Upon an employee's death, earned but unused vacation will be paid to the employee's beneficiary.

(e) An employee may cancel his/her scheduled vacation by notifying the immediate supervisor prior to the normal starting time of the first scheduled vacation day. No extra vacation time will be given for sickness or disability occurring while on vacation, but bereavement leave occurring during vacation will not be counted as vacation time.

(f) Vacations must be approved by the appropriate department supervisor.

(g) Miscellaneous Vacation Procedures

(1) Vacation requests shall be submitted for approval by March 1. Vacations will be approved by seniority and after March 1, vacations will be approved on a first come-first given basis. Full weeks will be given priority over single days. Management will make every attempt to accommodate employees' vacation requests, but reserves the right to limit the number of employees permitted off at one time to two (2) or 10% of such workforce whichever is greater, except during the time between the second Monday after Thanksgiving to the first Monday in March, which shall be restricted to 10%.*

*Restrictions include Vacation & Personal Leave

SECTION 20. OTHER TERMS OF EMPLOYMENT

(a) Jury Duty, Witness Duty and Death in Family

(1) Time lost from work by any employee while on jury duty shall be paid for by the Company on a straight time basis at his/her regular rate of pay; provided, however, that any compensation or fees received for such jury duty shall be deducted from the amount to be paid by the company. Time lost from work by any employee while serving as a duly subpoenaed non-party witness shall be paid for by the Company on a straight time basis at his/her regular rate of pay; provided, however, that any compensation or fees received for such witness duty shall be deducted from the amount to be paid by the company.

In the event of the death of the immediate family of an employee, the employee shall be permitted to take such time off as may be necessary from the time of receipt of notice of death by the employee up to and including the date of the funeral. He/she shall be paid at straight time at his/her hourly rate of pay for such part of that time off as he/she would otherwise have been regularly scheduled to work, but not exceeding eight (8) hours in any one day or a maximum total of thirty two (32) hours. For purposes of this paragraph, "immediate family" shall include the spouse, children, brothers, sisters, half-brothers, half-

sisters, stepchildren, parents, mother-in-law, father-in-law, grandparents and grandchildren of the employee.

Regular employees shall be granted a maximum of two days absence with pay for the purpose of attending the funeral of step-parents and one day's absence with pay for the purpose of attending the funeral of the brother or sister of the employee's spouse or the husband or wife of the employee's sibling (*i.e.*, brother in law or sister in law) and the spouse's grandparents provided, however that the employee was scheduled to work on the day of the funeral.

Regular employees shall be granted a maximum of one day of absence with pay for the purpose of attending the funeral of an Aunt or Uncle who is a direct bloodline relative of the employee.

(b) Inclement Weather

Except in cases of emergency, employees shall not be required to work in weather so inclement as to jeopardize their health or cause extreme discomfort. It is the intent of both parties to work together in applying this rule in a reasonable manner.

(c) Pay Days

Paydays will be uniform in all departments and the pay week will be 12:01 a.m. Monday to midnight Sunday. All departments will be paid every other Friday. If the payday so established falls on a bank holiday, then the employees will be paid the preceding day. All bargaining Unit employees will be required to enroll in the Company's i-Pay program. If a holiday occurs on a Monday following a Sunday in which the pay week ends, the pay period will be closed on the prior Friday, and any employee working the week in which this occurs will be paid for time worked on the following pay. All employees shall be required to have their paychecks deposited directly by the Company in an account in a banking institution selected by the employee, provided said bank is willing and able to receive funds via electronic wire. The Company shall only deposit to the employee's account that portion of the employee's pay remaining after all required and voluntary taxes and deductions have been made. The direct deposit shall be placed into the employee's account by the time said bank opens for business on the relevant pay day, except that if said bank is unable to accept the deposit as a result of the internal operating procedures of it or any other bank involved in the wire transmission process, the funds will be deposited at the earliest possible time thereafter.

(d) Uniforms

Uniforms will be provided on an annual basis using the approved vendor's list of company approved uniforms, working within a budgeted amount not to exceed \$200.00 per employee, per occurrence. To receive replacement uniforms the employee must return old/damaged uniforms. At any time within the year if a uniform is damaged the company will replace it with a new one. All uniforms must be returned to the company upon termination of employment. The \$ 200.00 per employee per year can be used for a one time purchase of safety shoes in compliance with OSHA

Reg. 29 CFR, Section 1910.13 and ANSI Section 241.1. Employees will be required to go on-line to purchase clothing.

SECTION 21. WORK BY SUPERVISORS

Supervisors may perform work customarily done by members of the bargaining unit for the purpose of demonstrating how they desire the work to be done. Supervisors may also perform such work in emergency situations to the extent that it may be necessary, in the reasonable exercise of the supervisor's discretion, to abate the emergency, pending the arrival of bargaining unit personnel. In addition to the above, and due to the nature of the Company's business and its responsibility to furnish a safe and adequate water supply to its customers at all times, supervisors employed by the Company may occasionally perform work that is normally performed by employees covered by this Agreement, to assist bargaining unit personnel. It is not the Company's intention to use supervisors to displace or replace bargaining unit employees. No employee will be laid off as a direct result of a supervisor performing bargaining unit work, and no employee on layoff shall remain on layoff as a direct result of a supervisor performing bargaining unit work.

SECTION 22. CONTRACTING OF WORK

(a) The Company agrees that no regular employee who possesses the necessary qualifications to perform the Network work being subcontracted shall be laid off, or no such employee who is laid off shall remain off, while any of the following work is being done by outside contractors:

- (1) Fire hydrant connections and installations on existing mains, including digging and backfilling.
- (2) Tapping on main lines, but not including the installation of tapping sleeves and gates.
- (3) Maintenance of existing installations, including leak repair on main lines

(b) However, the above restrictions shall not apply if:

- (1) In an emergency the Company makes a bona fide effort to call employees to work and is unable to secure the necessary personnel, or
- (2) Excavating or other mechanical equipment not owned by the Company must be hired together with the operator of such equipment.

SECTION 23. TECHNOLOGICAL CHANGES

The Company agrees that it will give the Union as much notice as practical after it has made a decision to make technological changes which will affect the Bargaining Unit. When a department or operation is changed or discontinued by reason of technological change which would result in employees being laid off, the Company shall endeavor to find work for which they are qualified in their own department or in another department.

SECTION 24. TEMPORARY EMPLOYEES

(a) "Temporary employees" shall mean all employees hired by the Company or individuals whose services are contracted through temporary employment agencies on a temporary basis to either maintain the existing workforce as needed due to absences due to sickness, vacation or other absence from work of bargaining unit employees, or to temporarily enlarge the existing work force due to seasonal work load increases or temporarily existing projects of limited duration that would not otherwise reasonably justify the hiring of a full time, permanent employee. The Company's right to use temporary employees shall be subject to the following conditions:

(1) Prior to the use of any temporary employees, the Union will be notified of the temporary individual's name and job that he/she will be used on, as soon as this information is known to the Company.

(2) Temporary employees shall be hired into the lowest classification in the department in which they are to be used, after upgrading the appropriate number of bargaining unit employees, if necessary.

(b) The Company has the exclusive right to determine who shall be hired as temporary employees. The Company has no obligation to rehire temporary employees for any future periods of employment, whether seasonal or permanent. The rate of pay for temporary employees hired by the Company shall not exceed 75% of the lowest entry level bargaining unit rate. The management and direction of temporary employees, including the right to hire, suspend, discharge, re-assigning designated work location, transfer or relieve such employees from duties is vested exclusively in the Company. The Union and its members will cooperate fully in this effort.

(c) Temporary employees shall not accrue seniority or be entitled to any of the benefits provided in this agreement to full time bargaining unit employees. Temporary employees shall be subject to the Union Security clause set forth in Section 7 of this Agreement.

(d) Temporary employees shall be entitled to overtime pay as an extension of their normal work day only so long as all available bargaining unit employees performing the same type of work have been offered the opportunity to work the overtime and have either declined to do so, or could not be reached to be offered the opportunity to do so, or were unavailable to do so because of having been assigned to perform other duties for the Company at the time that the overtime was to be worked.

(e) Temporary employees shall not be used by the Company so as to cause layoff of bargaining unit members, or to prevent the recall from layoff of bargaining unit members and no temporary employee shall be employed while any bargaining unit employee is on layoff.

SECTION 25. SICK LEAVE

- (a) Sick time is not earned time off; it is a benefit to be used only if an employee is legitimately ill or injured. Regular full time employees who have been in the continuous service of the Company for at least ninety (90) calendar days will be eligible for 10 work days of sick leave per year to be used in case of illness or injury. If an employee is absent due to illness or injury for three (3) consecutive work days, or for any number of days after second occurrence of illness or injury in a calendar year, he or she is required to provide a physician's certificate upon return to work. If an employee is absent for eight (8) consecutive work days, he or she must notify the Company's designated disability management provider in order to maintain eligibility for paid sick leave.
- (b) The Union recognizes that unplanned absence impacts the business and individual performance. Excessive absenteeism and falsification of the reason for using sick time may result in disciplinary action.
- (c) Employees who do not use all of their annual 10 work days of sick leave may carry over unused days into a sick bank, which shall have no maximum cap, to be used in the event of illness or accident prior to going on short term disability as set forth in the national benefits plan. Any "frozen sick leave banks" in existence as of the date of this agreement will remain. All days in an individual's "frozen sick leave bank" shall be compensated for at the rate of 8 hour's pay at the individual's regular rate of pay. Once an individual's "frozen sick leave bank" is depleted, so long as there are accumulated sick days in the sick bank and as sick days are added to the sick bank, those days shall be compensated for as follows:
 - (1) The first 5 days at the rate of 8 hours pay at the regular rate of pay;
 - (2) All remaining days at the rate of 8 hours pay at the regular rate of pay, multiplied by 0.70;
 - (3) Each time the sick bank is reduced to zero, further accumulations of sick days shall be compensated for at the rates set forth in (c) 1, 2, and 3 above.
- (d) Notwithstanding the terms of this article, any bargaining unit employee who, on the effective date of this contract, is receiving benefits under any sick leave program, short term disability policy or long term disability policy in place and covering said employee on the day prior to the effective date of this contract, shall continue to receive such benefits until his or her physical condition changes so that he or she is no longer entitled to such benefits. If the employee thereafter becomes ill or is injured, he or she shall receive sick leave pursuant to the terms of this Article.
- (e) Employees may utilize one sick day in increments of no less than one hour to schedule medical appointments due to illness. It is understood that the sick day increments are to be utilized in the event of a known or documented illness. While it is understood that the nature of an illness or appointment may preclude timely notice, when at all possible, the employee will provide as much notice as possible of a scheduled medical appointment or follow up examination. For routine wellness appointments, personal time should be taken as set forth in Section 18 (b)(2).

- (f) All new employees hired after October 11, 2011, shall be eligible on the first of the month following thirty days of continuous service for 10 days of sick leave at full pay per calendar year, except in the first calendar year of employment, the entitlement to which is set forth in subsection (g) below. Unless otherwise required by law, up to three (3) days of allotted annual sick leave may be used for the care of a child or spouse. The Company may also require an employee to use paid sick days prior to taking an unpaid Family & Medical Leave Act (FMLA) leave. Employees are required to contact the Company's Short-Term Disability provider if an absence is expected to last longer than 5 consecutive workdays.

Sick time is not earned time off. Rather, sick time is a benefit to be used only for legitimate medical reasons. The Company reserves the right to require proof of the need for any absence. An employee absent on sick leave for three or more consecutive days may be required to submit a note from a health care practitioner certifying that the employee was unable to work for health reasons and is now permitted to return to work.

Employees with serious health conditions may also be eligible for FMLA leave and/or the Short-Term Disability program. STD benefits are offset by any available and unused sick leave (including sick leave banks if available).

(g) Sick Leave Accrual

Employees hired on or after October 11, 2011 earn sick leave the first calendar year as follows:

- Hired on or before June 30 ten (10) days of sick leave
- Hired on or after July 1 five (5) days of sick leave.

- (h) If an employee is entitled to, in any given week, Temporary Total Disability Benefits under the Pennsylvania Workers' Compensation Act, the payment of those benefits and/or sick leave shall be governed by the terms of that certain agreement dated January 13, 2011 between the Company and the Union which is attached hereto as Appendix D.

SECTION 26. INSURANCE AND WELFARE PLAN

The Plans of Group Life Insurance, Accidental Death and Dismemberment Insurance, Weekly Accident and Sickness Benefits, hospital, medical and surgical benefits described in the booklet entitled GROUP INSURANCE PLAN, agreed upon in July, 2005, by the Utility Workers Union of America, AFL-CIO and American Water Works Company, will be attached hereto as Appendix "A" and is made a part of this Contract. It is agreed that said plan shall not be subject to renegotiation until August 1, 2010. The Company and the Union agree to be bound by the results of the renegotiation of the Insurance and Welfare Plan to be agreed upon by the American Water Works Company, Inc. or its designee and the Utility Workers Union of America, AFL-CIO, System Local 537 or its designee. This plan shall be effective as soon as administratively feasible after the date of this contract.

SECTION 27. PENSION and 401(k) PLANS

The Pension Plan (including the 401-k plan) agreed upon in July, 2005, by the Utility Workers Union of America, AFL-CIO and American Water Works Company, will be attached hereto as Appendix "B" and is made a part of this Contract. It is agreed that said plan shall not be subject to renegotiation until August 1, 2010. The Company and the Union agree to be bound by the results of the renegotiation of the Pension Plan to be agreed upon by the American Water Works Company, Inc. or its designee and the Utility Workers Union of America, AFL-CIO, System Local 537 or its designee. This plan shall be effective as soon as administratively feasible after the date of this contract.

SECTION 28. BULLETIN BOARDS

The Union shall have the privilege of using bulletin boards for notices to members.

SECTION 29. UNION-MANAGEMENT CONFERENCES

There shall be a meeting between the Union Officers and Company designees on an as needed basis for the purpose of discussing matters of mutual interest.

SECTION 30. JURISDICTION

The jurisdiction of this Contract shall include the territory within which the Company operates and is represented by System Local No. 537 of the Utility Workers Union of America, A.F.L.-C.I.O. This representation is limited to the bargaining unit established in the American Arbitration Association Election No. xx xxx xxxx 2006 and any additions to or deletions from said unit as may be mutually agreed upon by the parties.

SECTION 31. LEAVE OF ABSENCE FOR UNION BUSINESS

(a) An employee shall be granted a leave of absence without pay for the purpose of carrying on Union business provided he has either been appointed or elected to a full time executive or administrative position with System Local 537 or the Utility Workers Union of America, AFL-CIO. The leave of absence shall be for the length of the term of office, and shall be automatically renewed upon execution of a new contract for the length of the term of office remaining to be served. Such employees shall retain, but not accumulate, seniority during the period of such leave. No more than one employee from the Brownsville District holding such positions with System Local 537 may be off on such leave at any one time. Whenever any employee returns from such leave, he/she shall return to the job he left, unless that job has been abolished. If that job is abolished during the term of the leave, the employee on leave shall be notified in writing of the job abolition and he shall then be given the right to bid or bump into another job, as the case may be. He/she shall upon return from leave, assume the job bid or bumped into. When an employee assumes such a leave, the Company shall fill the job that he left as a temporary vacancy, if it determines to fill the job.

In the calendar year in which an individual returns from a leave of absence for union business, he/she shall be entitled to that percent of a full vacation that the number of months or portions of months between the date of return from leave of absence to December 31 of that year bears to 12, except that anyone returning from such leave before the 15th day of any month shall, for purposes of this section, be treated as having returned on the first day of the month.

(b) The parties agree that one individual who is the Union's executive board member employed at the time in Pennsylvania-American Water Company's Brownsville District shall be permitted to be absent from his or her employment with Pennsylvania-American Water Company without pay for the purpose of attending system Union executive board meetings, subject to the following conditions:

- (1) Such absences shall not occur on more than four days per calendar year, commencing with the calendar year 2014.
- (2) Such absences shall only be permitted if the employee or the Union provides Pennsylvania-American Water Company with at least five (5) days' advance notice of the specific date upon which this leave is sought.
- (3) The parties realize that Pennsylvania-American Water Company has or may have a rule or rules regulating the number of employees who may be permitted to be absent from work at any one time for various reasons. It is agreed that such a rule or rules shall not be used to deny the Brownsville Operation system local executive board member or any other bargaining unit employee permission to be absent from work upon the basis that the absence from work covered by this paragraph has caused the number of employees permitted to be absent from work under such rule or rules to be exceeded. However, if the Brownsville Operation system local executive board member seeking to be absent from work pursuant to this paragraph is employed as a plant/production employee under the current Brownsville Operation contract, Pennsylvania-American Water Company may, notwithstanding any term of this agreement, deny permission to be absent from work upon the ground that such absence would cause the number of employees permitted to be absent under said rule or rules to be exceeded.
- (4) No such executive board meeting shall be more than one day in duration.

(c) The parties agree that the following shall apply to the individual who is a system local Union officer and who is employed by Pennsylvania-American Water Company's Brownsville District in this bargaining unit:

- (1) Such individuals shall, under the limits set forth below, be given unpaid time off from work to attend "final step" grievance meetings and arbitration hearings in any district or operation in which he/she is not employed. A "final step" grievance meeting is the meeting step described in the grievance adjustment section of the relevant contract immediately preceding the final and binding arbitration step in said grievance adjustment section.
- (2) The individual seeking such unpaid leave shall provide at least two weeks advance notice of the specific date on which this leave is sought, to the Brownsville District Supervisor.

- (3) A "system local Union officer" eligible for this leave includes only the system local Union president, the system local Union vice president, the system local Union recording secretary and the system local Union financial secretary. Only one System Local Union officer from Brownsville will be permitted leave without pay under the provisions of this agreement unless otherwise specifically granted by management.
- (4) The individuals covered by this section, subject to the limits hereinafter stated, shall not be permitted such time off to attend more than four final step grievance meetings or arbitrations, without pay, per calendar year.
- (5) No more than two such individuals may attend any one final step grievance meeting or arbitration and no more than two such meetings, without pay, with two such individuals together in attendance shall be held in any calendar year. No more than six such total system local officer absence days shall be permitted in any one calendar year.
- (6) In recognition of the fact that the number of Brownsville Operation contract grievances requiring adjustment may, given the dates of filing thereof, require more than four final step grievance meetings in any one calendar year, and in recognition of the fact that the Union may desire to have a system Union officer or officers in attendance at any or all of such final step meetings or arbitrations, Pennsylvania-American Water Company agrees that, if the Union requests a combination of final step grievance meetings or arbitrations for adjustment of grievances, Pennsylvania-American Water Company will agree to such combination, so long as the Union agrees, in writing, that if the requested combination lengthens the time within which such meeting would ordinarily occur, the Union waives any entitlement that it or any affected member may have to be awarded any requested or required relief during the period of the lengthening of time for occurrence of said meeting.
- (7) No such final step grievance meeting or arbitration shall be more than one day in duration.

Absences provided for in the immediately preceding paragraphs in this Section shall only be permitted in those cases (1) when the Union executive board meeting, arbitration hearing or final step grievance meeting is scheduled on a day when the affected officer is scheduled to work, or, in recognition of the fact that travel may be involved, (2) when it is reasonably necessary for such affected officer to be absent from work to travel to and/or from such meeting or hearing. (For example, a day shift affected officer attending a hearing or meeting on his/her day off shall not have union leave time for any portion of the day before and after the day of the hearing or meeting, however, an affected officer on the evening or night shift, may take off their shift immediately before or after this meeting when such time is necessary and appropriate to travel to or from this hearing or meeting.) The local Union officer from Brownsville will not be compensated by the Company for the above.

The System Local Union officer from Brownsville will only be granted time off without pay for the specific meetings identified in this Section which are held in the State of Pennsylvania.

Only one Union representative from the Brownsville bargaining unit will be permitted time off without pay for any type of Union activity. The Union representative must request such additional time off, at least two weeks in advance of the date of the event. Further, additional time off, other than granted above, will not exceed ten calendar days.

The leave provision provided for in the immediately preceding paragraphs in this Section shall cease as to any covered bargaining unit no longer represented by the Union.

SECTION 32. SUCCESSOR

If during the life of this Agreement, the Company should sell, lease, transfer or assign its business to another entity, or merge its business with another entity under circumstances that such new owner and operator of the Company's business or the surviving business is a legal successor to the Company, then it is agreed that the Company shall inform the other entity of the exact terms of this Agreement and the other entity shall assume the terms and conditions of this Agreement for the balance of its remaining term. Nothing in this section shall be construed to eliminate any right that the Union may have under the law independently of this section to require a purchaser, lessee, transferee or assignee to assume the terms and conditions of this Agreement or to deal with the Union as the certified collective bargaining representative of those employees covered by this Agreement.

SECTION 33. DURATION OF AGREEMENT

(a) This Contract shall be binding on the parties hereto, their successors and assigns from October 1, 2013 to and including September 30, 2017 and from year to year thereafter unless at least sixty (60) days before September 30, 2017 or any succeeding September 30, the Company or the Union serves written notice on the other party of its desire to change or terminate the Contract.

Signed and delivered this _____ day of October, 2013.

PENNSYLVANIA AMERICAN WATER CO.
Brownsville Area

UTILITY WORKERS UNION OF
AMERICA, AFL-CIO, SYSTEM
LOCAL NO. 537

Steven J. Tambini, Vice President Operations

J. Kevin Booth, System President

Deborah Lippert, Sr. Director Operations

Gregory Lanham, System Vice-President

James Sray, Manager Labor Relations

David Rowland, System Recording Secretary

Dan Ireland, Manager Production-West

Robert Hutcheson, President

Dave Gumbert, Mgr Field Ops, SW PA

James Lewis, National Representative

William McFadden, Supt., SW PA

APPENDIX "A"

GROUP INSURANCE PLAN

(Incorporated in this Agreement by reference)

APPENDIX "B"

PENSION PLAN

(Incorporated in this Agreement by reference)

APPENDIX “C”

SECTION 1. WAGES AND HOURS - PRODUCTION EMPLOYEES

Regular employees engaged in the operation and maintenance of the Production facilities shall be paid the following hourly rates:

POSITION	REGULAR HOURLY PAY			
	10/1/2013	10/1/2014	10/1/2015	10/1/2016
Plant Operator/Maintenance	\$28.70	\$29.30	\$29.95	\$30.60

The normal work week for production employees shall consist of five days of eight (8) hours each, but their starting time shall be designated by the Company depending upon operational requirements.

Shift schedules may be changed either (a) by mutual agreement of the manager/superintendent and the union, or (b) if not mutually agreed upon, based upon the operating needs of the company. In such case the Company will provide the reasons for the change and the timeframe if the change is temporary.

Each vacancy in the first shift consisting of vacation days that are on the vacation schedule on March 31 and personal days that are on the vacation schedule on March 31 shall be filled by first offering the opportunity to fill the vacancy to the employee normally assigned to the second shift. If the second shift employee declines the opportunity to fill the vacancy, the Company may fill the vacancy by designating the appropriate relief employee to fill the vacancy. In all cases where it is possible for the second shift employee to give at least 30 days’ notice of a desire to exercise the opportunity, he/she shall do so. In cases where it is not possible to give at least 30 days’ notice, the maximum amount of notice that can be given shall be given but no less than one week notice.

SECTION 3. WAGES AND HOURS - NETWORK EMPLOYEES

All employees employed in the Network Department shall be paid the following rates:

POSITION	REGULAR HOURLY PAY			
	10/1/2013	10/1/2014	10/1/2015	10/1/2016
Subforeperson	\$28.65	\$29.25	\$29.90	\$30.55
Utilityperson	\$28.46	\$29.06	\$29.71	\$30.36

The normal working week for all employees performing the class of work specified in this Section shall be forty (40) hours. These hours are to consist of five (5) eight-hour days, Monday through Friday, and Tuesday through Saturday beginning at 7:30 AM and ending at 4:00 PM with a one-half hour unpaid lunch break.

Shift schedules may be changed either (a) by mutual agreement of the manager/superintendent and the union, or (b) if not mutually agreed upon, based upon the operating needs of the company. In such case the Company will provide the reasons for the change and the timeframe if the change is temporary.

SECTION 4. STARTING RATE OF PAY FOR NEWLY HIRED PERSONS

All persons shall, at the time of initial hire, be paid a lesser amount than the rate set in Section 1 or 2 of this appendix, as the case may be, for the position he/she occupies, as follows:

Start of employment	\$3.00 less per hour
After 12 months' employment	\$2.00 less per hour
After 24 months' employment	\$1.00 less per hour
After 36 months' employment	Full rate

APPENDIX "D"

Pennsylvania American Water Company ("Company") and the Utility Workers Union of America, AFL-CIO, System Local 537 ("Union") agree to the following for all collective bargaining agreements between the Company and the Union that provide sick leave benefits. Attachment 1 to this agreement (i.e., the Workers' Compensation Pay Selection Form) describes the options available to employees and it generally describes the options and amount of sick leave provided under each option. This form shall be revised by the parties in the future to account for tax, legal or benefit changes.

This agreement shall be deemed effective as of September 1, 2009 for all bargaining units of the Company represented by the Union, and this agreement and its attachments shall be added as an appendix to the next renewed or renegotiated collective bargaining agreement between the Company and the Union in each of their bargaining units.

An employee off work as a result of a work related illness or injury will be provided the following choices:

Option 1: not receive sick leave pay (employee would receive only whatever workers' compensation benefits are provided, which may involve a waiting period with no such benefits);

Option 2: receive 2.5 hours of sick leave pay for each regular shift day of work missed due to medical leave (employee would also receive whatever workers' compensation benefits are provided, which may involve a waiting period without such benefits); or

Option 3: receive full sick leave pay for the first five regular shift days of work missed during the first seven calendar days of absence, then receive 2.5 hours of sick leave pay for each regular shift day of work missed following the first seven calendar days of absence.

An employee who does not timely make a choice of options will receive option 3. An option once selected cannot be changed for each period of absence (a return to work for less than a week shall not be a break in the period of absence) unless there is a unanticipated significant worsening in the employee's medical condition that notably extends his/her time off work. In the event the Company issues full sick leave pay to an employee for an absence without knowing or crediting at the start of the absence that it was covered by workers' compensation lost wage benefits, but the employee later receives workers' compensation lost wage benefits for that time period, then that employee shall promptly (within a week absent very compelling circumstances) sign/endorse over the workers' compensation lost wage check(s) to the Company (or promptly provide a bank cashier's check to the Company for the amount of the worker's compensation lost wage payment involved), on the basis that such an employee has received an excess payment of sick leave pay beyond the benefits provided under any of the above options. Such an employee's accrued sick leave shall be adjusted as if he/she had elected option 3. Failure of such an employee to make this payment back to the Company within two weeks following one reminder notice shall be just cause for that employee's discharge.

If an employee returns to work, and thereafter experiences partial absences for therapy or medical treatments, such absences may not be paid as regular time. The employee will be provided one of the following choices:

Option a: time will be coded as non-pay for the missed work hours;

Option b: time will be coded as WC no-pay, if the employee wants to be paid by the workers compensation insurer after accumulating 40 or more hours of sick time off due to a recent documented work injury; or

Option c: time will be coded as WC sick: hours of sick time deducted equal to those off work.

An employee who does not make a timely choice of options will receive option c. An option once selected may not be changed for each course of therapy or medical treatment. The employee will be granted either the first or last half hour of the normal work shift (not both) at regular pay to attend treatment or therapy, provided the employee provides documentation of the appointment time (for recurring appointments, this documentation need only be provided one time). The employee will make every effort to schedule therapy/medical visits before or after the normal work shift. Conflicts must be reported immediately to the supervisor and the local risk manager.