

ARTICLES OF AGREEMENT

BETWEEN

WEST VIRGINIA-AMERICAN WATER, NORTHERN DISTRICTS

AND

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

PHYSICAL BARGAINING UNIT

Effective

April 15, 2011

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AGREEMENT

CONTRACT made and entered into as of the 15th day of April, 2011, by and between WEST VIRGINIA AMERICAN WATER, Northern Districts, which are known as Weston, Gassaway, Sutton, and Webster Springs, West Virginia, and its successors in corporate existence, party of the first part, hereinafter usually referred to as the "Company" and LOCAL NO. 537, UTILITY WORKERS UNION OF AMERICA, AFL-CIO, party of the second part, hereinafter usually referred to as "Union", acting for itself and as the representative of employees of the Company in the Bargaining Unit.

WITNESSETH:

The Company and the Union, in consideration of the obligations hereinafter set forth by each of the parties to be kept and performed, do hereby agree as follows:

SECTION 1. Recognition and Representation

(1.1) The Union is hereby recognized and accepted by the Company as the sole and exclusive bargaining agency for all production and maintenance employees of the Company at its Weston, Gassaway and Webster Springs operations, excepting employees engaged as office workers, clerical workers, management, supervisory and professional personnel, and lab technicians; and the Company agrees that it will negotiate with the accredited representatives of the Union as the representatives of the employees for the Company in the Bargaining Unit represented.

SECTION 2. Management Rights

(2.1) All of the rights, powers, functions and authority, which are normal responsibilities of management, including, but not limited to the right to hire, promote, demote, transfer, and lay off employees, discipline or discharge employees for cause, determine the number of employees required, the location of plants' facilities and operations, and the schedules, means, methods and procedures of operation and work to be performed, are retained by the Company, except as those rights, powers, functions and authority are specifically modified or restricted by this Agreement.

SECTION 3. No Strike or Lockout

(3.1) 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. However, there shall be no liability on the part of the Union for any strike, work stoppage or intentional slowdown when such strike, work stoppage or intentional slowdown is not authorized or condoned by the Union, and when in addition, duly authorized officers of the Local Union shall within five (5) hours after notification by the Company, take all reasonable steps to end it, including action to sign and cause to be posted in prominent places within the office or plant of the Water Company, a notice that the strike, work stoppage or intentional slowdown was not authorized by the Local Union and directing all employees to return to their respective jobs promptly or to cease any action which may adversely affect any operation of the Company. The Company shall have authority

to discipline any employee or employees engaged in any unauthorized strike, work stoppage or intentional slowdown, subject to the Union's right to present a grievance as outlined in this Contract.

SECTION 4. Adjustment Procedures

(4.1) Recognition of the fact that the Company and its employees represented by the Union have a mutual responsibility to the public which requires that disagreements arising between the employees and the management be settled in an orderly way without interruption of water service, it is agreed that differences which may arise between the employees and the management of the nature of those mentioned in the following paragraphs within this section shall be adjusted in accordance with the provisions set out in this Section 4.

Disagreement Arising Under Contract

(4.2) Any disagreement, dispute or grievance which shall arise between the Union or the employees and the Company with respect to the interpretation or application of any of the terms or provisions of this Contract shall be, during the term of this Contract, settled by the following procedure:

- (4.2.1) All written grievances shall be numbered in sequence showing a suffix which will indicate the year. (Example: 1-YR, 2-YR, etc.)
- (4.2.2) Any grievances shall initially be presented verbally by the grievant or Union to the immediate supervisor within four working days after which time is deemed a waiver of rights to said grievance.
- (4.2.3) If the grievance is not settled through the normal procedure with direct contact between the employee and his/her immediate supervisor, a written grievance shall be presented to the department head within five working days.
- (4.2.4) The department head or the designated representative shall answer the grievance in writing within five working days. The answer shall be written on the back of the grievance.
- (4.2.5) The employee shall within five working days, accept or reject the answered grievance and so indicate in writing on the back of the grievance and present said grievance to the department head or the designated representative.
- (4.2.6) If grievance is still not settled in the above manner, then the original copy of the grievance with all written answers shall be submitted to the VP of Operations or his designated representative within seven working days after the date of the last answer on the back of the grievance. The Union President or the designated representative will request a conference with the VP of Operations or his designated representative by direct contact within the seven days outlined above.

(4.2.7) If the above procedure still does not satisfy the grievance, the matter shall, upon request of either party, be submitted to arbitration as provided in paragraph 4.2.8 below.

(4.2.8) Within thirty (30) days of receipt of the answer from the VP of Operations or his designated representative, either party 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. The parties shall take turns with respect to which party strikes the first arbitrator (e.g., the union strikes the first arbitrator in the first arbitration brought under this agreement, the company will strike first in the second arbitration filed, alternating with each arbitration filed thereafter). Nothing contained herein shall be constructed 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 4.2.9.

The Arbitration Hearing shall be scheduled within 45 days from the receipt of the first panel of arbitrators from FMCS, and may be rescheduled only by agreement of 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.

(4.2.9) "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 limitations hereunder, the grievance as submitted shall be deemed to have been granted. If the Union or the Employee fails to comply with any time limitations hereunder, the grievance shall be deemed to have been withdrawn."

SECTION 5. Wages and Hours

(5.1) 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 "A" and made a part thereof.

SECTION 6. DETAILED TERMS of EMPLOYMENT

(6.1) The Company shall require as a condition of employment that all present employees who are subject to this Contract shall remain members of the Union in good standing for the duration of this Agreement. All new employees shall, as a condition of employment, become members of the Union within thirty (30) days from the date of employment and remain members of the Union in good standing for the duration of this Contract.

SECTION 7. Premium Pay

(7.1a) All premium rates apply except in instances of changing schedules noted elsewhere in this agreement

(7.1) Overtime

(7.1.1) Non-Shift Employees

(7.1.1.1) One and one-half (1-1/2) times the regular hourly rate shall be paid for:

(7.1.1.1a) All hours worked in excess of forty (40) in any one week.

(7.1.1.1b) All hours worked in excess of eight (8) within a twenty four (24) hour period. This provision applies to employees transferring between non-shift and shift work.

(7.1.1.2) Two (2) times the regular hourly rate shall be paid for all hours worked on the second of an employees regularly scheduled days off in any work week.

(7.1.2) Shift Employees

(7.1.2.1) One and one-half (1-1/2) times the regular hours rate shall be paid for:

(7.1.2.1a) All hours worked in excess of forty (40) in any one work week.

(7.1.2.1b) All hours worked in excess of eight (8) within a twenty four (24) hour period beginning with the starting time for the last period worked at straight time. This provision applies to employees transferring between shift and non-shift work.

- (7.1.2.2) Two (2) times the regular hourly rate shall be paid for all hours worked on the second of an employee's regularly scheduled days off in any work week.
- (7.1.2.3) Employees may be allowed to trade shifts by mutual agreement, subject to the approval of the supervisor, and may work overtime without overtime pay when such overtime is for the convenience of the employees and the Company, provided such arrangement shall not be in violation of any of the provisions of the Fair Labor Standards Act of 1938 as amended or other applicable legislation.
- (7.1.3) No employee shall be paid both daily and weekly overtime for the same hours worked. No daily overtime shall be paid when employees are changing from one shift to another, or when employees at their own request are working extra time in order to be excused during regular shifts.
- (7.1.4) An employee shall not be required to take time off during the scheduled working hours for overtime worked or to be worked unless, in emergencies, he/she is required to work overtime to such an extent as to be unable to obtain sufficient rest before the start of the regular working period.
- (7.1.5) Any employee covered by the provisions of this Section reporting for work upon order of the Company, either expressed or implied, who is not put to work for any reason excepting weather conditions or accident, shall receive a minimum of four (4) hours pay for Distribution work defined as, main line repair, hydrant repair, booster repair, and PRV repair, if call out on service line work goes beyond (2) hours then (4) hours of pay. All other work that is not defined above shall receive a minimum of two (2) hours of pay.
- (7.1.6) Any employees called to work after having left the premises at the completion of the regular scheduled work day, and prior to the commencement of the next regularly scheduled work day, shall be paid for a minimum of four (4) hours pay for Distribution work defined as, main line repair, hydrant repair, booster repair, and PRV repair, if call out on service line work goes beyond (2) hours then (4) hours of pay. All other work that is not defined above shall receive a minimum of two (2) hours of pay. Paid travel time shall be limited to no more than thirty (30) minutes on callouts.

(7.1.7) Sharing of Overtime

- (7.1.7.1) Insofar as practicable, overtime shall be distributed equitably among qualified employees in the job or jobs in which the overtime work is required. This section shall not require the calling of any employee for a job which he/she is not qualified nor the taking of any employee off a job which he/she is doing and which requires overtime work of a few hours duration in order to

give said overtime work to another employee. Equitably overtime applies to employees living within 30 minutes from their normal workplace.

(7.1.7.2) When an error is made by supervision in the administration of overtime, and an employee is thereby denied a callout, the Company will provide the employee the first option of the next available overtime. The posting of overtime will be on a weekly basis.

(7.1.7.3) In any twenty-four (24) hour period in which there has been no rest period of at least eight (8) consecutive hours, an employee who has worked sixteen (16) hours or more shall receive double (2) time for all hours worked in excess of sixteen (16), and shall be entitled, when released from work, to a rest period of eight (8) hours before returning to work. If the rest period extends into the next regular scheduled hours, he/she shall be excused from duty for that portion of the scheduled hours which is covered by the rest period without loss of pay.

(7.1.8) Meal Allowance

(7.1.8.1) The Company agrees when an employee remains at work after completion of the regular work day, he/she shall be entitled to a meal allowance of nine dollars and fifty cents (\$9.50) at the following intervals.

One meal at the end of the first two (2) hours of overtime.

One meal at the end of each four (4) hour intervals thereafter during such overtime work.

(7.1.8.2.) Meal allowances will be included on the employee's paycheck for allowances earned during the pay period.

(7.1.8.3) The Company agrees that when an employee is called out after leaving for the day, or is called on off days (except with prior notice), he/she shall be entitled to meal allowance at the following intervals:

One meal at the end of the first four (4) hours of call out time and at four (4) hour intervals thereafter during such overtime work.

(7.1.8.4) The employee may elect to take the first meal on extended overtime or call out as provided in the Contract. The time taken to eat the meal shall not be considered in computing the time for which the next meal allowance and/or meal period is due.

(7.2) Holidays

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

| | |
|-----------------|------------------------|
| New Year's Day | Labor Day |
| President's Day | Veteran's Day |
| Good Friday | Thanksgiving Day |
| Memorial Day | Day after Thanksgiving |
| Fourth of July | Christmas Day |

(7.2.2) When a holiday falls on Sunday, it will be observed on the Monday following. When a holiday falls on Saturday, it shall be observed on the preceding Friday.

(7.2.3) When any of the above-named holidays are declared as legal holidays on days other than the regular calendar date, such designated days will be recognized as the holiday for the purpose of this Agreement.

(7.2.4) Employees in the Network Department shall not normally be required to work on any of the above-named holidays, but shall be paid their normal pay for the day when not required to work. When a regular shift employee is not required to work on a holiday, he shall be paid for eight (8) hours at the regular hourly rate which is construed to mean the rate applicable to the daytime shift.

(7.2.5) Each non-shift employee will normally not be required to work on any of the foregoing holidays, but when required to work on a holiday shall be paid, in addition to their normal pay for the day, at one and one-half (1 ½) times the regular rate of pay for the hours worked on such holidays in excess of the number of hours normally worked on such days.

(7.2.6) Each shift employee will normally be required to work on holidays, and will be paid in addition to their normal pay for such holiday, at the rate of one and one-half (1 ½) times their regular rate of pay for all time worked during their regularly scheduled shifts, and one and one-half (1 ½) times the regular hourly rate for all others worked on such holidays.

(7.2.7) 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.

- (7.2.8) 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.
- (7.2.9) Each employee must work the scheduled day before and after a holiday to receive pay, unless employee has an excused absence.

SECTION 8. Union Dues

- (8.1) The Company agrees to withhold Union dues as authorized by the employee each month out of the wages due members of the Union under this Contract for each member of the Union who requests the Company in writing to make such deduction from his/her wages. The deduction is to be made from the first pay period for each and every month, and the Company agrees to pay monthly the amount withheld to the Financial Secretary of the Union. The Financial Secretary of the Union shall, annually or whenever a dues deduction change is necessary, notify the Company in writing of the employee and amount to be withheld by the Company.

SECTION 9. Company Rules

- (9.1) The Union agrees that its officers and members will live up to Company rules and regulations in the interest of safety, economy and continuity of service to the public.
- (9.2) The Company agrees that there shall be no discrimination against any employee on account of service on any Employee's Committee.
- (9.3) The Union and the Company will not engage in subterfuge for the purpose of defeating or evading provisions of this Contract.

SECTION 10. Seniority

- (10.1) It is understood and agreed that in all cases of promotion or of increase or decrease or transfer of employees within the scope of the Contract, length of continuous service and ability to perform the work to be done shall be considered. Where ability to perform the work is equal, length of continuous service shall govern.
- (10.2) In cases of promotion or transfer or decrease of employees in any particular department, length of continuous service as used in this Section shall be interpreted to mean length of continuous service within the particular department.
- (10.3) If a vacancy occurs, any member of the Union shall be permitted, according to his/her qualifications and seniority, to fill the vacancy subject to the terms of Section 11.2. Employee filling a vacancy shall start at the permanent prevailing wage rate of the job in which the vacancy occurs, except as noted in Section 29, Step Rates.

- (10.4) Only in the case of layoffs within any department, any member of the Union who is laid off may bump any member of the Union within that department who has less departmental seniority; the laid-off employee may bump any member of the Union in any other department with less seniority, provided he/she is qualified for the position, Subject to the terms of Section 11.2.
- (10.5) When an employee bids on a vacancy or desires to bump another employee in order to avoid a layoff within that department, "length of continuous service" shall be interpreted to mean length of continuous service with the Company. In any cases arising under the above, the Company reserves the right to temporarily fill any vacancy pending the operation of the procedure described hereinbefore, but except in emergencies, the senior qualified employee will be selected.
- (10.6) Permanent employees laid off in the future will be called back according to their seniority up to two (2) years. The right of recall shall be forfeited by the employee if the employee fails to notify the Company of his/her intent to return to work within (72) hours after written notice is sent to the employee by the Company by Certified Mail (Return Receipt Requested) addressed to the employee's last known address appearing on its records. In all cases, the employee must return to work within two (2) weeks after receipt of notification of recall, unless otherwise waived by the Company.
- (10.7) All provisions of this Section shall be understood to be applicable only when in conformity with all Federal, State and local laws and regulations regarding equal employment opportunity, including the Americans with Disabilities Act of 1990.
- (10.8) Temporary employees hired shall have no seniority rights until permanently employed. Once permanently employed, such temporary employees shall then be entitled to full credit in determining seniority rights for the period of temporary employment, provided that permanent employment occurred while employee was working as a temporary employee for the Company.
- (10.9) All new employees shall be classed as probationary employees for the first ninety (90) days of their employment. If the occasion arises that the Company would be required to hire employees to fill existing classifications in the Network, or Production Departments who do not have prior experience, these employees will receive twenty-five cents (\$0.25) less than the established step rate during the probationary period.

SECTION 11. Application of Seniority

- (11.1) Notice of a vacancy in an existing position or in a newly created position shall be posted at places accessible to employees affected and shall remain posted for a period of five (5) working days, within which time applicants eligible and desiring to fill such vacancy shall apply in writing to the official of the Company designated in the notice. Such notice shall set forth the title of the position to be filled, hours of work, days of relief, rate of pay and outline of duties. Within five (5) working days after the expiration of the posting period, the Company shall have assigned the accepted applicant to such vacancy or newly created position. The decision to apply or not to apply for promotion or transfer to an existing position or a newly created position is entirely within the employee's own option.

(11.2) Any employee assigned to a new position shall have up to ninety days (90) days in which to demonstrate qualifications to perform the duties of that position. If he/she is unable to qualify within that trial period, he/she may return to the position from which he/she came without loss of seniority.

(11.3) The Company reserves the right to temporarily fill any vacancy during the ten (10) ten day period required for the operation of the procedure described hereinbefore.

SECTION 12. Driving of Vehicles

(12.2) Driving of trucks and automobiles shall be considered as incidental to the work of any particular class of employee, and while driving the employees shall be paid at the respective rates provided herein.

SECTION 13. Pay Period

(13.1) Employees shall be paid every other Friday for work done during the two week period ending at midnight of the preceding Sunday and is subject to American Water system wide standards.

SECTION 14. Temporary Transfers

(14.1) When permanent employees who are temporarily transferred from a department in which they are employed regularly to another department paying a lower wage, they shall suffer no reduction in wages during such temporary transfer; and when employees are temporarily transferred to any job or department paying a higher hourly rate, they shall receive such higher hourly rate while working on such job, except as noted in Section 29.

(14.2) Employees on restricted duty, if qualified, may be temporarily transferred to classifications paying a higher rate without being paid the higher rate unless they are performing the entire duties of that higher classification.

SECTION 15. Work Performed by Supervisors

(15.1) Management reserves the right to perform work covered by this agreement, due to limited staffing and to more expeditiously restore service to affected customers. Any work performed under this section will not eliminate work included in any employees normal scheduled work week. The Company agrees that Management will not perform work in that District (Weston, Gassaway/Sutton, and Webster Springs) that is ordinarily and customarily done by its regular employees, if any such employees are laid off because of lack of work for the duration of the agreement.

SECTION 16. Contracting of Work

(16.1) The Company shall have the right to assign or contract work. It is understood by the Union and the Company that the Company's assignment or contracting of work to

persons or organizations not represented by the Union does not result in the loss of employment to the regular employees covered by this Agreement. It is also understood by the Union and the Company that it is not the Company's intent to assign or contract work to persons or organizations not represented by the Union that will directly result in the loss of employment for regular employees covered by this Agreement. The Company agrees for the duration of this agreement, it will not contract any work that is ordinarily and customarily done by it's regular employees, if any such employees are laid off.

SECTION 17. Leaves of Absences

(17.1) Employees can be granted leaves of absence for good cause with the consent of the Company without prejudice to seniority or other rights. All leaves of absence shall be requested and issued in writing and shall state the conditions under which such leaves are granted.

SECTION 18. Clothing and First Aid Supplies

(18.1) First aid supplies shall be kept and maintained on work trucks, Treatment Plants and Distribution Center.

(18.2) The Company shall provide one hundred ninety dollars (\$190) for safety shoes every twelve (12) months.

(18.3) Each full time employee will be provided a standard uniform allowance of \$180.00 in March and October for a total of \$360.00 annually. It will be the employee's responsibility to provide a list of uniform items required to maintain his/her professional appearance and will be approved and ordered by the immediate supervisor.

SECTION 19. Jury Duty and Death in Family

(19.1) The Company guarantees normal pay to employees while on jury duty by paying the difference between normal pay and the amount received as jury fees

(19.2) Regular employees shall be granted a maximum of three (3) days absence with pay in the event of death of their father, mother, brother, sister, spouse, child, grandchild, mother-in-law or father-in-law. It is agreed, however, that where circumstances permit, employees will return to work on the day following the funeral.

(19.3) Regular employees shall be granted a maximum of one (1) day's absence with pay for the purpose of attending the funeral of their step-mother, step-father, step-brother, step-sister, grandparent, brother-in-law, sister-in-law, aunt or uncle.

SECTION 20. Inclement Weather

(20.1) 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.

EMPLOYEE BENEFITS

SECTION 21. Personal Leave Days

(21.1) Employees will have two (2) paid personal leave days.

SECTION 22. Vacations

(22.1) The vacation year shall, in all cases, be the calendar year beginning January 1 and ending December 31. No vacation may be taken until earned.

(22.2) Subject to Section 22.11, below, each employee shall be eligible to earn up to the following number of vacation days annually:

- a) Each employee who will have completed twenty-two (22) years of continuous service by December 31 of any year shall be eligible to earn up to five (5) weeks of vacation within that calendar year.
- b) Each employee who will have completed fourteen (14) years of continuous service by December 31 of any year shall be eligible to earn up to four (4) weeks of vacation within that calendar year.
- c) Each employee who will have completed seven (7) years of continuous service by December 31 of any year shall be eligible to earn up to three (3) weeks of vacation within that calendar year.
- d) Each employee who, as of January 1 of any year, has been continuously in the service of the Company for two (2) years, shall be eligible to earn up to two (2) weeks of vacation within that calendar year.

(22.3) Notwithstanding Section 22.11, below, each employee employed as of January 1 of any year but who has been continuously in the service of the Company for less than two (2) years, shall be entitled to one (1) week of vacation.

(22.4) For each full week of vacation to which an employee is entitled, he/she shall be paid an amount equal to the wage as determined by the regular scheduled hours of employment.

(22.5) The Company agrees that the employees' wishes will be considered in setting up each year's vacation schedule; and, if possible to do so without interfering with the orderly and continuous operation of the plant, employees shall be permitted to take their vacations at times desired by them.

(22.6) Vacation schedules will be posted as of the first Wednesday after March 1 each year. The most senior 1/2 of employees will have one week to post their preferred vacations in seniority order and least senior 1/2, one week. Employees failing to post their vacation selection timely will lose seniority over other less senior employee's preferences. All posting must be completed within four weeks of the date first posted each year.

- (22.7) Vacations of two (2) weeks or less shall, as far as can be arranged, be taken in continuous periods and may not be accumulated.
- (22.8) Vacations of three (3), four (4), or five (5) weeks may be required to split on the basis of operating requirements.
- (22.9) Upon termination of service for any cause, an employee shall be paid at the time of such termination for all accrued or earned vacation then due.
- (22.10) Any request for carryover vacation must be submitted by October 1st and if approved by management by November 1st of every year, employees may carry over up to one week of vacation each year providing they are eligible for at least three (3) weeks of vacation or more. Carried over vacation must be taken by no later than December 31st of the following year.

(22.11) No vacation may be taken until earned. Vacation is earned by being paid the required number of hours in the preceding calendar year as follows:

| <u>*Hours Paid</u> | <u>Vacation Pay Earned</u> |
|--------------------|----------------------------|
| 1,250+ | Full Vacation |
| 937-1249 | 75% Vacation |
| 625-936 | 50% Vacation |
| Less than 625 | No Vacation |

*Hours paid for purposes of this Section 22.11 is defined to include hours actually worked by the Employee (i.e., including hours worked at straight time and over time), vacation hours paid, holiday hours paid, 80 hours sick leave paid and time lost due to an approved Workers' Compensation claim.

SECTION 23. Disability Benefits and Life Insurance

(23.1) Leaves of Absence for Sickness or Accident Disability

An employee absent from work for five (5) or more days must contact the Company's third party Short Term Disability provider, which information can be obtained through local human resources.

(23.1.1) Employees will be granted leaves of absence for sickness or accident disability for the maximum periods shown below:

| <u>Length of Service</u> | <u>Maximum Leave of Absence</u> |
|--|---------------------------------|
| Sixty (60) days but less than six (6) months | Two (2) weeks |
| Six (6) months but less than Five (5) years | Twenty-eight (28) weeks |
| Five (5) years or more | Fifty-two (52) weeks |

(23.1.2) Upon receipt of competent medical certification that he/she is physically and mentally able to perform regular duties without jeopardy to self or others, an employee who has been disabled by occupational accident or disease incurred in the course of employment by the Company, and who has exceeded the maximum period of leave of absence applicable to length of service at the date such disability commenced, shall be rehired in accordance with accrued seniority at the time such leave of absence terminated.

(23.2) Payments During Leaves of Absence for Sickness or Accident Disability

(23.2.1) During periods of leave of absence for sickness or accident disability, employees will be paid in the maximum amounts hereinafter set forth:

(23.2.2) Each employee who is disabled and unable to perform regular duties as a consequence of illness, accident, or pregnancy shall be paid as follows during such disability:

Maximum No. of Weeks in any

| <u>Length of Service</u> | <u>"Disability Year" in which Payment will be made by the Company</u> |
|--------------------------|---|
|--------------------------|---|

| | |
|--|--------------|
| At least six (6) months but less than one (1) year | One (1) week |
|--|--------------|

| | |
|-------------------|---------------|
| Over one (1) year | Two (2) weeks |
|-------------------|---------------|

-
- At the end of each calendar year, any unused portion of the annual two weeks sick leave that is not used will be banked into the Sick Leave Bank that has an aggregate 17 week maximum.

(23.2.3) If the employee is entitled to, in any given week, Weekly Sickness and Non-Occupational Accident Benefits under the Group Insurance Plan or Temporary Total Disability Benefits under the West Virginia Workers' Compensation Act, all employees will receive full wage or salary payments for as long as such payments are due, which means, until the employee has exhausted Company sick benefits within the disability year as is prescribed in the Company's Insurance Plan. He/she will, however, provided he/she is still disabled and certified by his/her physician, be entitled to receive A & S Benefits from the insurance company as outlined in the current group insurance plan. During this period, he/she will be paid the allowable Company sick benefits and after filing the

insurance claim, all insurance benefit checks will be endorsed over to the Company. If money is not submitted to the Company, the employee by confirmed delivery by the United States Postal Service through a Company's notice that benefits are due and the employee has ten (10) working days to reimburse the monies due or be subject to discipline. The Union will also be notified by the company. When Company benefits are exhausted, A & S Benefits will belong to the employee.

"All employees will have the choice at the beginning of a leave of absence for a work related injury of either receiving Temporary Total Disability benefits paid in lieu of sick leave benefits or receiving sick leave benefits in lieu of Temporary Total Disability benefits. Once election is made, it may be reversed once during the first 30 days following the beginning of the leave and thereafter, it cannot be changed for the duration of the leave. The employee must notify the Supervisor in writing of their election. If no written notice is received, the default election is Temporary Total Disability benefits."

- (23.2.4) The Company may require a suitable statement from the employee's physician certifying to the disability or may elect to have a physician selected by it to examine the employee. A sick slip shall be required after two (2) days absence if employee has a good absence record, otherwise a sick slip will be required after one day of absence.
- (23.2.5) The employee's anniversary date of employment shall be used to determine the maximum benefits to which he/she is entitled.
- (23.2.6) The "Disability Year" shall be any twelve (12) month period commencing with first date of disability on or after (date of ratification). Thereafter, if the employee is actively at work on the first anniversary of this first disability, his next "Disability Year" will commence with the first date of disability following that anniversary date.
 - (23.2.6.1) If any period of disability overlaps the first anniversary of the employee's first disability, he/she shall continue to draw such pay from the Company until he/she has received the maximum number of weeks to which he/she would have been entitled in the "Disability Year" in which the overlapping period of disability commenced. He/she shall not then be entitled to further payments until he/she returns to active employment for at least one (1) day, nor shall he/she be entitled to further payments for the same or related disability until he/she has returned to active employment for two (2) weeks.
 - (23.2.6.2) In recognition of the fact that delay sometimes occurs in the determination of benefits payable under the Worker's

Compensation Law, the Company agrees in order to assure continuity of income to a disabled employee that it will pay the employee's normal weekly wages in full for the period indicated in the schedule above, subject to agreement by the employee that any benefits currently or subsequently received from the Worker's Compensation Carrier with respect to said period of disability shall be assigned to the Company. If money is not submitted to the Company, the employee by confirmed delivery by the United States Postal Service through a Company's notice that benefits are due and the employee has ten (10) working days to reimburse the monies due or be subject to discipline. The Union will also be notified by the company.

(23.2.6.3) It is understood that these payments from the Compensation Carrier to be assigned to the Company include only weekly benefits for temporary disability.

(23.2.6.4) The current Medical Attendance Policy provision providing a 12 hour benefit to attend medical appointments will continue, but the time spent in medical appointments shall be charged against sick leave entitlement. However, attendance at medical appointments will not be counted as occurrences under the Attendance Policy and attendance at medical appointments will not count against perfect attendance.

Section 24. Group Insurance Welfare Plan

Group Insurance

The American Water System GROUP INSURANCE PLAN, as described in the booklets and as modified by the Memorandum of Agreement between American Water Works, Inc. and the Utility Workers Union of America dated March 7, 2001, shall be in full force and effect through July 31, 2005. The Plan may thereafter be amended, modified or terminated through negotiations between American Water Works Company, Inc. and the Utility Workers Union of America. The Company and Union agree to be bound by the results of any renegotiation of the Group Insurance Plan between the American Water Works Company, Inc. and the Utility Workers Union of America. Group Insurance issues shall not be subject to any local negotiations.

Employees hired prior to August 1, 2004 to be included under the American Water System Group Insurance Plan, as described above in this section; however, employees hired on or after August 1, 2004 will not be eligible for post-retirement group health insurance.

SECTION 25. Pensions

Pension Plan

The Pension Plan described in the booklet entitled American Water System PENSION PLAN, shall remain in full force and effect through July 1, 2005. The Plan may thereafter be amended,

modified or terminated through negotiations between American Water Works Company, Inc. and the Utility Workers Union of America. The Company and Union agree to be bound by the results of any renegotiation of the Pension Plan between the American Water Works Company, Inc. and the Utility Workers Union of America. Pension issues shall not be subject to any local negotiations.

SECTION 26. 401 (K) Savings Plan

The 401(k) Savings Plan, and as modified by the Memorandum of Agreement between American Water Works, Inc. and the Utility Workers Union of America dated March 7, 2001, shall remain in full force and effect through July 31, 2005. The Savings Plan may thereafter be amended, modified or terminated through negotiations between American Water Works Company, Inc. and the Utility Workers Union of America. The Company and the Union agree to be bound by the results of any renegotiation of the Savings Plan between the American Water Works Company, Inc. and the Utility Workers Union of America, Savings Plan issues shall not be subject to any local negotiations.

SECTION 27. Occupational Safety and Health Act

In recognition of the requirements of the Occupational Safety and Health Act, the Company and Union agree to comply with all requirements of the Act in order to protect the health and safety of employees.

SECTION 28. Equal Employment Opportunity

(28.1) It is recognized by the parties hereto that the Company is an Equal Opportunity Employer whose employment policies and personnel practices are such as to insure that all employees are treated equally and that recruiting, hiring, training, and promoting persons in all job classifications shall be done without regard to membership in the Union, race, color, religion, age, sex, national origin, status as a disabled veteran or veteran of the Vietnam era, or qualified handicap, except where sex is a bona fide occupational qualification; 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 in that they impose only valid requirements for promotional opportunities; that all personnel actions, such as compensations, benefits, transfer, layoffs, return from layoffs, Company-sponsored training, education, tuition assistance, social and recreation programs, will be administered without regard to race, color, religion, age, sex, sexual orientation, national origin, status as a disabled veteran or veteran of the Vietnam era, or qualified disability.

(28.2) It is hereby agreed that nothing in this Contract shall be so construed as to prevent the Company in any way from adhering strictly to its equal opportunity obligations herein set forth.

SECTION 29. Service in the Armed Forces

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

SECTION 30. Step Rates

All employees hired or rehired except those hired into Operator II, III or IV or Operator II/Utilityman, Operator III/Utilityman or Operator IV/Utilityman positions by the Company after January 1, 2002, shall receive \$2.00 less than the regular hourly rate of pay for all job classifications held by such employees during their first year of employment with the Company and \$1.00 less than the regular rate of pay for all job classifications held by such employees during their second year of employment with the Company, other than the operator classification that these employees may hold. Thereafter, these employees' regular hourly rate will be governed by those wage rates set forth in Appendix A.. The Company reserves the right to waive or modify the reduced wage rates for employees hired through acquisitions; but in no case will an employee hired through acquisition be less than the contract wage rate for new employees, unless agreed to by the union. Continuous service of any employee recalled within one year following layoff would be recognized in determining the reduced wage rates which would apply, if any.

SECTION 31. Performance Program

(31.1) The American Water performance program will identify and measure employee contribution and development needs. Through goal setting, supervisors and their employees will jointly establish goals, development opportunities, and overall performance expectations. This performance process will include periodic reviews by the supervisor and employee designed to evaluate the progress of achieving the established criteria so that necessary changes can be agreed upon, with a final review occurring at the end of the performance cycle. This performance tool is designed to facilitate open communication and joint goal setting in an objective manner that will allow the company to meet its established business objectives while providing for employee development. The program is intended for the purpose of aligning individual and company goals in order to enhance the overall performance of the company and not intended for discipline. The program format provides for personal development and growth by utilizing measures of success established by the individual and supervisor. These measures define the actions required to meet the established goals and provide for individual development in an objective manner.

SECTION 32. Duration of Contract

(32.1) This Agreement shall continue in full force and effect without alteration, from ratification date, until termination by either party by giving written notice to the other of its intention to so terminate at least sixty (60) days prior to the date fixed for termination; provided, however, that such date of termination shall not be earlier than 12:01 a.m. on the 14th day of April, 2016.

SECTION 33. General Conditions

(33.1) This written Agreement constitutes the entire agreement between the Company and the Union and supersedes and replaces any and all obligations and/or agreements, whether written or oral or expressed or implied between or concerning the Employees or the Union and the Company. Any amendment, modification or addition to this Agreement must be reduced to writing and duly executed by the Company and the Union to be effective. This provision may be waived by mutual agreement between Management and Local 176.

(33.2) If any part of this Agreement is rendered or declared invalid by Federal or State law, then the invalidation of such part of this Agreement shall not affect or invalidate any of the remaining parts hereof and the same shall continue in full force and effect.

SIGNED AND DELIVERED in sextuplet the _____ day of _____, 2011.

**WEST VIRGINIA-AMERICAN WATER
NORTHERN DIVISION**

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

BY _____
Manager

BY _____
J. Kevin Booth, System President

BY _____
President

BY _____
Gregory Lanham, System Vice President

BY _____
David Rowland, System Secretary

BY _____
James Barnette II, Local President

BY _____
James Lewis, National Representative

APPENDIX "A"

WAGES AND HOURS

A1. Network Department – Weston Operation

| | Effective 4/15/11 | Effective 4/15/12 | Effective 4/15/13 | Effective 4/15/14 | Effective 4/15/15 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Utility Worker | \$ 23.43 | \$ 23.93 | \$ 24.43 | \$ 24.93 | \$ 25.33 |
| Service Person/Meter Reader | \$ 23.43 | \$ 23.93 | \$ 24.43 | \$ 24.93 | \$ 25.33 |

Working Crew Leader \$ 24.43 \$24.93 \$25.43 \$25.93 \$26.33
The Working Crew Leader job description is attached to this agreement.

(A1.1) The normal work week for all employees performing the class of work specified in this paragraph "A1" shall be forty (40) hours.

(A1.2) The Company agrees that all regular employees who commence work on the first day of any regular work week, as established for his/her particular job, shall be guaranteed forty (40) hours of work, provided the employee is at all times, during that week, available for work.

Changing Work Schedules

(A1.3) The Company shall have the ability to change the hours of work or schedule for employees. A two (2) day advance notice will be given.

Temporary Employees

(A1.4) Students or other persons in the Network Department for the summer shall be designated as temporary employees. It shall further be agreed that such temporary employees shall not be entitled to the following benefits: Holiday pay, sick leave pay, seniority rights, personal days, and the right to any job. The Company reserves to itself the right to decide whether to hire such temporary employees.

(A1.4) It is the intent to use these temporary employees to perform seasonal or time-specific work including, but not limited to: grass cutting, fire hydrant and facility painting, etc

A2. Operators

(A2.1) Employees engaged at the filter plant as operators shall be paid the following straight-time hourly rates, less any applicable step rates:

(A2.1.1) Weston Operation

| | Effective 4/15/11 | Effective 4/15/12 | Effective 4/15/13 | Effective 4/15/14 | Effective 4/15/15 |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operator Class IV | \$ 24.28 | \$ 24.78 | \$ 25.28 | \$ 25.78 | \$ 26.18 |
| Operator Class III | \$ 23.90 | \$ 24.40 | \$ 24.90 | \$ 25.40 | \$ 25.80 |

(A2.1.2) Gassaway/Sutton Operation

| | Effective 4/15/11 | Effective 4/15/12 | Effective 4/15/13 | Effective 4/15/14 | Effective 4/15/15 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operator Class III / Utilityman | \$ 23.75 | \$ 24.25 | \$ 24.75 | \$ 25.25 | \$ 25.65 |
| Operator Class II / Utilityman | \$ 23.71 | \$ 24.21 | \$ 24.71 | \$ 25.21 | \$ 25.61 |

(A2.1.3) Webster Springs Operation

| | Effective 4/15/11 | Effective 4/15/12 | Effective 4/15/13 | Effective 4/15/14 | Effective 4/15/15 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Operator Class III / Utilityman | \$ 23.75 | \$ 24.25 | \$ 24.75 | \$ 25.25 | \$ 25.65 |
| Operator Class II / Utilityman | \$ 23.71 | \$ 24.21 | \$ 24.71 | \$ 25.21 | \$ 25.61 |

Shift Differentials are:

| | Effective 4/15/11 | Effective 4/15/12 | Effective 4/15/13 | Effective 4/15/14 | Effective 4/15/15 |
|--------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Second Shift | 0.22 | 0.22 | 0.22 | 0.22 | 0.22 |
| Third Shift | 0.32 | 0.32 | 0.32 | 0.32 | 0.32 |

Operator's Incentive Program:

Bonus Incentives:

Class III - \$100 bonus (one time only)
Class IV - \$300 bonus (one time only)

(A3.4) Recognizing the fact that the position of Plant Operator requires certification by regulatory agencies, it is agreed by the Company and Union that any employee assigned a Plant Operator's position must presently hold proper certification from the West Virginia Board of Health or meet the State's requirements for securing proper certification for plant operation in accordance with regulations which became effective July 1, 1989, i.e., at least a Class III Public Water Supply Operator's Certificate for the Weston Operation and a Class II Public Water Supply Operator's Certificate for the Gassaway Operation and the Webster Springs Operation.

(A3.5) Subject to Company approval, schedules may be adjusted to accommodate employee attendance of classes required to earn, renew existing certification or obtain higher level of

certification. The Company will reimburse employees for the above according to the Educational Assistance Plan.

(A3.6) Just to reiterate, we have reached consensus agreement regarding continuing education units necessary to maintain Operator certifications. West Virginia American Water will pay for the certification course itself as well as wages for that time spent in class. Employees will no longer have to use vacation during those days they receive training. This applies to all locations within West Virginia. Due to logistics issues unique to each location, it will be up to each supervisor to decide how to cover plant operations with minimal overtime. Andrea Thomas has developed a list of approved training courses available in-house. It is suggested that those are taken advantage of to the greatest extent possible. With that said, outside training should be minimal.

Miscellaneous

The parties will continue to honor the Labor-Management agreement that provides an additional personal holiday to employees who have had perfect attendance in the preceding calendar year.