

AGREEMENT

between

PENNSYLVANIA-AMERICAN WATER COMPANY

Districts of Butler, Clarion,  
Fayette, Indiana, Kane,  
Kittanning, Lawrence,  
Punxsutawney, Warren,  
and Washington/Valley

and

UTILITY WORKERS UNION OF AMERICA, AFL-CIO  
SYSTEM LOCAL 537

Effective

December 8, 2012

to

November 17, 2016

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CONTRACT made and entered into as of the 8<sup>th</sup> day of December, 2012, by and between the Pennsylvania-American Water Company (Butler, Clarion, Fayette, Indiana, Kane, Kittanning, Lawrence, Punxsutawney, Warren and Washington/Valley Districts) and its successors in corporate existence, party of the first part, hereinafter usually referred to as the "Company" and System Local 537, Utility Workers Union of America, affiliated with the AFL-CIO, 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 the 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 co-operate with each other, and 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**

(A) 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 confidential secretaries, supervisors or executives. The Company agrees that it will negotiate with the accredited representatives of employees in the Company and the Bargaining Unit represented.

(B) The Company shall have the supervision, direction, and control of its property and operations and shall have the right to determine how many employees it will employ or retain in various capacities and the size and composition of working forces. It is the intention of the parties that this section shall not alter or supersede other provisions of this Contract specifically covering any matter. 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.

(C) The Company agrees that in connection with negotiations of future contracts, the Company will pay ten (10) members of the union Negotiating Committee no more than eight (8) hours of straight time hourly rate per day for any day in which the negotiating session is held and the Union representative was otherwise scheduled to work. The ten (10) Union representatives paid by the Company shall consist of the following:

- Clarion - one representative
- Kittanning & Indiana - one representative
- Punxsutawney - one representative
- Butler - one representative
- Lawrence - one representative
- Fayette - one representative

Warren - one representative

Kane - one representative

Washington/Valley - two representatives (one from Washington and one from the former Valley District departments)

The Union will notify the Company prior to the beginning of negotiations of the names of the ten (10) employees who will be paid by the Company for attending the negotiating sessions. After giving such notice, the Union shall be entitled to replace any one or more of said employees at any session or sessions if any one or more of said employees is on vacation, ill, off on leave for death in family, or otherwise unavoidably absent during any one or more negotiating sessions.

If it does not interfere with the orderly operation of the Company or District, an additional Union representative from each district shall be permitted to attend a negotiating session at no cost to the Company; however, if the additional Union representative necessitates a person to replace him in the operation of the district, such Union replacement will work at the straight time hourly rate only. An additional Union representative may not attend a negotiating session if it results in his replacement being paid any form of overtime or penalty pay.

With respect to plant personnel working shifts; the Union representative on the Negotiating Committee shall be excused from the 11 pm to 7 am shift preceding a scheduled negotiating session and the 3 pm and 11 pm shift on a day when joint negotiations are held if the Union representative was scheduled to work on those shifts.

However, when travel time permits, the Union representative is expected to return to his plant to complete the remaining hours of his scheduled shift, except if the remainder of his shift is two (2) hours or less, the employee will not have to report to work.

## **SECTION 2. NO STRIKE OR LOCKOUT**

In furtherance of harmonious relations among employees, the Management and the Public, and in consideration of the adjustment procedures set forth in Section 3 of this Agreement, it is mutually agreed by the parties hereto that there shall be no lockout, strike, work stoppage or intentional slowdown during the terms of this Contract. 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 by the Union and when, in addition, duly authorized officers of the Local Union shall, within five (5) hours after notification by the Company, sign and cause to be posted in prominent places within the offices or plant of the 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.

It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action in the event an employee refuses to enter upon any property where a lawful Primary picket line is established, provided, however, this clause shall not apply to picket lines established under the Free Speech Proviso of the National Labor Relations Act or to what is commonly referred to as "area standards" picketing.

### **SECTION 3. ADJUSTMENT PROCEDURES**

In 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 to water service, and in consideration of the covenants of the parties as are contained in the first paragraph of Section 2 of this contract, it is agreed that differences which may arise between the employees and the management of the nature of those mentioned in the various sections of this paragraph below shall be adjusted in accordance with the provisions of the succeeding paragraphs of this section.

#### **DISAGREEMENTS ARISING UNDER CONTRACT**

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 procedures:

(1) The employee may informally discuss the matter with his supervisor, and/or the employee and the Local Union Representative may meet with the superintendent and supervisor to discuss the matter. The employee, or the Local Union Representative on the employee's behalf shall notify the Superintendent of the employee of the existence of the grievance within ten (10) working days, excluding off days, in writing of the occurrence of the event leading to the dispute, disagreement or grievance. There shall be a monthly meeting between the Division Union President, Division Union Vice-President, aggrieved individual (or one of the aggrieved individuals as selected by the union in cases where a single grievance relates to more than one employee), Local Union Representative, or their designees, and management representatives, including the Superintendent, or their designees, at a mutually agreeable time for the purpose of discussing such grievances, except that in months during which no grievances exist for consideration, no such meeting shall be held. The absence of any of the above-named participants shall not be grounds for canceling the meetings unless the cancellation is mutually agreed to. Following such monthly meeting, the Superintendent or his designee shall reply to the union in writing within ten (10) working days, excluding Saturday, Sunday and holidays as to the company's position relative to such grievances.

(2) If the answer received from the Superintendent is unsatisfactory, the Union may, within ten (10) working days, excluding Saturday, Sunday and holidays, appeal the decision in writing to the Human Resources Manager. Thereafter, a monthly meeting shall be conducted to

discuss appealed grievances in the locations in which the grievances are applicable. The Union System President, System Vice President, Union Division President, System Business Agent, International Representative, or their designees, and the operating Manager and Human Resources Manager, or their designees shall attend such meeting to resolve the disputes. Said meeting shall be held at a location and on a day and hour mutually agreeable to the parties. The absence of any of the above-named participants shall not be grounds for canceling the meeting, unless the cancellation is mutually agreed to. Within ten (10) working days following such meeting, excluding Saturday, Sunday or holidays, the Company shall respond to the Union in writing as to the Company's position relative to such grievances.

(3) Within thirty (30) days of receipt of the answer from the Human Resources 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 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 the list, otherwise the Union shall first strike the name of an arbitrator from the list.

The Arbitration Hearing shall be held at a mutually agreeable location and hearing room accommodation expenses shall be shared equally by the parties. 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 hearing. Such decisions shall be final and binding between the 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.

(4) 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 granted. If the Union or the employee fails to comply with any time limitation hereunder, the grievance shall be deemed to have been withdrawn.

(5) Copies of all correspondence to the Union shall be sent to the System Union President by the Company.

#### **SECTION 4. DEDUCTION OF DUES**

The Company agrees to deduct from the wages of employees, union dues and assessments provided the Company has been authorized to do so by the execution of an appropriate authorization form which complies to 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 Division 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 5. 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.

#### **SECTION 6. NO DISCRIMINATION**

The Company agrees that there shall be no interference with the right of employees covered by the terms of this Contract to become members of the Union, and that there shall be no discrimination by the Company or its agents against any employee because of their membership in the Union or for any reason.

#### **EQUAL EMPLOYMENT OPPORTUNITY**

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 and individuals, including qualifying 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 membership in the Union, race, color, age, religion, sex or national origin, 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 compensation,



benefits, transfers, layoffs, return from layoff, Company sponsored training, education tuition assistance, social and recreation programs, will be administered without regard to race, color, age, religion, sex, national origin, qualifying disability and veteran status.

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

## **SECTION 7. SELECTION OF EMPLOYEES BY 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 8. OBSERVANCE OF COMPANY RULES**

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.

The Union shall have an opportunity to comment upon such rules and regulations and, if necessary, meet with the Company in that regard. In the event that the Union desires to meet with the Company, such meeting shall be held within ten (10) working days from the date the Company furnishes the Union with the rules and regulations. The rules and regulations may be placed in effect on the tenth (10) working day following the date of posting.

The Union reserves the right to grieve the reasonableness and/or the propriety of the rules and/or the penalty thereunder under the procedures in Section 3.

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.

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 3.

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 in the case. Letters of reprimand which are in excess of two years old shall not be used as a basis of discipline in any program of progressive discipline.

### **SECTION 9. UNION BUSINESS**

The Union and employees agree that there will be no solicitation, interference with, 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 mealtimes. However, any authorized representative of the Union, upon permission obtained from the Operations Manager, 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.

### **SECTION 10. NO SUBTERFUGE**

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

### **SECTION 11. SENIORITY**

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** - 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.

It is understood and agreed that in all cases of promotion, increase, decrease, or transfer of employees within the scope of this Contract, length of service shall govern.

It is agreed between the parties that seniority shall not exist until after sixty (60) working days in the District. However, after sixty (60) working days, seniority shall revert to and be considered to have been in full force and effect from the beginning of the sixty (60) working day period.

It is agreed between the parties that an employee shall lose his 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 seventy-two (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

Employees with seven (7) years length of service will not be subject to layoff. This clause shall not be applicable to employees hired subsequent to April 15, 1977.

Notwithstanding any other provision of this section or of any other section of this contract, no regular full time employee with a seniority date as of December 8, 2012 shall be subject to layoff. In order for such an employee to avoid layoff, the employee shall either bid on an existing vacancy or exercise the bumping rights provided for in this contract. In the event that such an employee fails to qualify for the job bid to or bumped into (or if no vacancy or bump is available based upon his/her seniority), the Company will train him/her for or give him/her other duties in his/her district for which he/she is qualified and the individual shall receive a rate of pay not less than the rate of the job he/she held immediately prior to the job elimination that would have resulted in layoff but for this provision, along with future wage increases and the benefits and rights provided under this contract. The provisions of this paragraph shall end and be removed from this contract on November 16, 2016.

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.

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. When a vacancy occurs in any job, the employee with the highest District seniority on the Job Interest form shall be awarded the job or shift. Resulting vacancies shall be filled in the same manner. An employee must accept an awarded job. An individual initially hired by the company into a job in the production department after December 8, 2012 cannot voluntarily bid to another position outside the production department for a period of three years. 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/she may not again indicate his/her interest in that job or shift for a period of six (6) months nor may he/she indicate an interest in a job from which he/she has moved for a period of six (6) months. 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. Wage increases resulting from bidding shall be effective when the employee begins working on the job.

If, after following the requirements of this contract, the Company is unable to fill a job vacancy by using the job interest bid sheets/contractual bidding procedure and has determined to fill the vacancy by hiring a new employee, if the person to whom the job has been offered has not accepted it within the time frame specified in the job offer, before again attempting to hire a new employee, the Company will again first employ the job interest bid sheet/contractual bidding procedure set forth in this contract. Likewise, if after following the requirements of this contract, the Company is unable to fill a job vacancy by using the job interest bid sheets/contractual bidding procedure and six months have elapsed and no offer has been extended to an outside individual for said job, before extending any offer of employment to an outside individual, the Company will again first employ the job interest bid sheet/contractual bidding procedure set forth in this contract.

From and after November 18, 2004, the following shall apply to the positions of backhoe operator, plant operator, operator/maintenance person and maintenance relief person:

- 1) The Company shall develop job interest bid sheet forms for each of the aforesaid classifications, outlining the job description, job duties, job requirements, hours of work, rate of pay and any other qualifications determined by the Company to be reasonably necessary for the performance of the job, including without limitation, such schooling, training and testing procedures as may be required to determine qualifications to perform the job. In addition, bid sheet forms will contain DEP Drinking Water certification requirements for the Class and Sub-Classes that are required for the facility being operated pursuant to the current DEP Certification Requirements.
- 2) From and after November 18, 2004, all individuals signing the job interest bid sheet forms for the aforesaid four classifications shall be required to satisfy any and all training, testing and schooling requirements described on the job interest bid sheet form relative to each of the aforesaid four jobs.
- 3) When a vacancy in one of the four positions referenced above is anticipated, the Company shall commence the training of the most senior individual on each of the above referenced four job interest bid sheet forms. The commencement of training as described in this subparagraph shall consist of seeing to the enrollment of such person in any school or training program required by the job interest sheet form, and shall also consist of providing to such individual such schooling, training, or other job experience in the job reasonably required by and contemplated by the job interest bid sheet form. The Company shall, at its option, have the right to see to the training of more

than one person on each such list. The Company shall not, however, be required to have more than one person in active training on each such bid sheet at any one time.

- 4) From and after November 18, 2004, as openings in any of the above four job classifications arise, the Company shall select for each such opening the most senior individual whose name is on the applicable job interest bid sheet form who has completed all of the training and schooling and other qualification requirements described on the said job interest bid sheet form. If, at the time such opening becomes available, no individual on the job interest bid sheet has completed the training and schooling and other qualification required thereby, the Company shall select for said job opening the most senior individual on such interest bid sheet form who is in the process of completing the training, schooling and qualification process. Such individual shall remain on the job until he or she completes all such training, schooling and qualification. If he or she completes the same successfully, he or she shall be deemed qualified and shall be given the job. If he or she is unsuccessful, he or she shall be removed from the job and the next most senior person on the job interest bid sheet form shall be awarded the job subject to the requirement that he or she shall successfully complete the training, schooling and qualification process applicable to the job. If no individual on the job interest bid sheet has commenced said training when the opening arises, the Company shall select the most senior individual on the list and shall immediately commence such training. Once an individual is awarded the position of Operator or a position that relieves an Operator, he or she must take and pass the applicable 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. Once certification is obtained, it must be maintained. For employees hired after December 8, 2012 into the operator position or a position that relieves an operator, failure to meet the aforementioned requirements will result in loss of the certification premium and may, at the reasonable discretion of the Company, result in termination. For employees that bid or bump into the operator position or a position that relieves an operator, failure to meet the aforementioned requirement shall result in a loss of the certification premium. For the purposes of this paragraph, the word "operator" shall mean both the operator and the operator/maintenance positions.
- 5) Once an individual commences the training, schooling, qualification process, he or she shall be forbidden to remove his or her name from the job interest bid sheet for the job for which he or she has commenced the training, schooling, qualification process, for a period of three years from the commencement of the training, schooling, qualification process. Additionally, such individual shall be required to accept the job opening on such job interest bid sheet that occurs prior to the expiration of said three year period, including

such openings that occur while said individual is in the training, schooling, qualification process. In case of the occurrence of a job opening while the subject individual is in the training, schooling, qualification process, said person shall, if he or she is the most senior trained or training person, be selected for such job, and if said individual does not successfully complete the training, schooling, qualification process, such individual shall be removed from the job as unqualified.

- 6) In no event shall any individual selected for any job described in any of the above four classifications be accorded less than thirty (30) working days in which to demonstrate his or her qualifications to perform the duties of that position. In any case where an individual is unable to qualify for the position, the existing contract procedures shall govern said individual's return to his or her former classification.
- 7) If an individual places his or her name on more than one job interest bid sheet covered by this subparagraph, said individual must select which of the jobs he or she desires to be trained, schooled, and qualified in first, it being the parties intent that an individual shall only be in training for one job at any one time. Additionally, if an individual has signed more than one of the aforesaid four job interest bid sheets and he or she commences training, schooling, qualification on any one of said jobs, such that the requirements that his or her name remain on such sheet for three years commences, said individual's right to be trained on any of the other jobs covered by this subparagraph shall be held in abeyance until the completion of the training, schooling, qualification that has then and there commenced. Nothing in this subparagraph shall prevent any individual whose name is placed on any one or more of the four job interest bid sheets subject to this paragraph from placing his or her name on any number of other job interest bid sheets not subject to this subparagraph.
- 8) Any person failing to qualify for any of the jobs subject to this subparagraph because of failure of any schooling, testing or training program may take all such schooling, testing, and training again, but at the employee's sole expense and at no expense to the Company. An individual who fails to pass any schooling, testing or qualification program or course is not required to retake the same.
- 9) If overtime or additional work in any of the jobs subject to this subparagraph shall arise after November 18, 2004, any individual in the process of schooling, training or qualification for said job shall be eligible for such overtime or additional work, and shall be used before the Company avails itself of the right to use outside contractors to do said work.
- 10) The terms of this subparagraph shall not apply to any individual who, on November 18, 2004, holds any of the jobs described in this subparagraph, it

being the party's express intent that the said individuals shall continue to hold said jobs without being required to otherwise qualify to retain them, and no changes made by the Company in any bid sheet applicable to any of the aforesaid three jobs shall operate to disqualify any person holding any such job on the date that the change in the bid sheet is made.

- 11) Incumbents who are required to hold DEP Drinking Water Operator certification are required to avail themselves of any training, schooling or qualification program existing in order to maintain such certification, and the Company shall pay all tuition and other costs pursuant to the Company's current tuition reimbursement plan.

The employee who is the successful bidder shall have thirty (30) working days in which to demonstrate his qualifications to perform the duties of that position. If he is unable to qualify, he may return to the position from which he came without loss of seniority or length of service. Consequently, all other successful bidders must return to the positions from which they came without loss of seniority or length of service.

If there are no bidders for a vacancy within the District before hiring a new employee, the Company shall notify all laid off employees with retained seniority in other districts, including Pittsburgh, who have had prior experience in the job where the vacancy exists. In such event such laid off employees with retained seniority may bid into the vacancy and his seniority shall be recognized for the purpose of vacation and sick leave, but he shall be placed at the bottom of the seniority list with respect to the length of service in the new district. Consequently, his length of service date in the new district shall be calculated from the first day of employment in the new district.

In the event that the vacancy in the district is not filled with a laid off employee with retained seniority from any other district, including Pittsburgh, the Company shall notify all laid off former employees from the district where the vacancy exists without retained seniority who have had prior experience in the job where the vacancy exists of the existence of the vacancy, and shall consider said employees for said vacancy pursuant to the procedure set forth in the immediately succeeding paragraph. In the event that the vacancy in the district is not filled with a laid off former employee from the district where the vacancy exists without retained seniority, the Company shall notify all laid off former employees from all other districts, including Pittsburgh, without retained seniority who have had prior experience in the job where the vacancy exists, of the vacancy, and shall consider said employees for said vacancy pursuant to the procedures set forth in the immediately succeeding paragraph.

The Company shall be obligated to notify laid-off former employees without seniority of the existence of the job vacancy, and shall be obligated to hire such employees for said vacancy, provided all of the following criteria are met:

- 1) The laid-off former employee's work and attendance record while employed with the Company was satisfactory.

- 2) One year or less has elapsed since the loss by said laid off former employee of his retained seniority pursuant to the collective bargaining agreement in effect with respect to him at the time of his layoff.
  - 3) The laid-off former employee must have notified in writing the manager of the relevant district of his mailing address and desire to be considered for a job vacancy and specify his job experience and qualifications. Notification to the laid-off former employee at the last mailing address provided shall satisfy the requirements of this section.
  - 4) The laid-off former employee agrees to and does present himself for work no later than two (2) weeks after being advised by the Company of his selection for the job.
  - 5) The Company shall not be obligated to pay or reimburse to the laid-off former employee any relocation, transfer or travel expenses.
  - 6) The laid-off former employee shall, upon rehire, be deemed to be a newly hired employee, subject to all policies, practices and procedures, generally relative to newly hired employees, including without limitation any probationary period requirements contained in this collective bargaining agreement.
  - 7) If more laid-off former employees are eligible to be hired under the foregoing criteria than there are job openings available, the Company shall be permitted to make its selection or selections between or among the whole group of laid-off former employees based upon qualification and ability to do the job, and if qualification and ability to do the job are equal, length of former service with the Company shall govern.
  - 8) The term "vacancy" shall refer to a vacancy in an existing position and in a newly created position.
1. Seniority and length of service shall be district-wide.
    - a. If a vacancy occurs in any job within the district, any employee shall be permitted, according to his length of service, to fill the vacancy in any department or position within the scope of this Contract. He shall start at the prevailing wage rate of the job in which the vacancy occurs.
    - b. In order to avoid a layoff, any employee at the time of scheduled layoff, shall be permitted to bump, according to his length of service, a junior employee in any bargaining unit job in the District. An employee who is absent for any reason must exercise his/her bumping rights within four (4) days after the time they are notified by the Company and identify which job they are bumping



into in accordance with his/her length of service prior to returning from such absence.

2. In the event the employee exercises his right to bump, he shall do so at the time of layoff and shall be required to meet the minimum qualifications for the job into which he bumped within a period of thirty (30) working days.

In any cases arising under 1 and 2 above, the Company reserves the right to temporarily fill any vacancy pending the operation of the procedure described herein. Except in emergencies, the senior qualified employee will be selected to fill the temporary vacancy.

Copies of all existing and future bid sheets and changes and amendments thereto will be promptly provided to the division president of the union in the district involved.

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.

In the event that the Company elects to combine all or a portion of districts, areas, or one or more functions, then seniority and length of service dates of all affected bargaining unit employees shall be dovetailed after the combination (thus, any existing vacancies or new positions created as a result of the combination in the district or area designated by the Company as the host/recipient/remaining district or area ("host district") shall be open to bidding by the bargaining unit employees in that host district prior to the combination). Each employee whose position is eliminated or transferred to a host district shall be provided, in seniority order and seniority permitting, the opportunity to choose between three options of (1) bump into another position in the employee's current district, seniority permitting and subject to the individual being able to bump pursuant to the bumping provisions of this collective bargaining agreement; (2) take a vacant position, if available and seniority permitting, in the host district at the rate of pay and other terms in effect at that host district; or (3) take a layoff, notwithstanding the fact that the employee may be otherwise protected from layoff (in the event an employee declines to or is unable to make a choice then he/she will be assigned to any existing vacancy after all other employees have elected their choice and if no such vacancy exists then he/she shall be laid off notwithstanding the fact that the employee may be otherwise protected from layoff).

If the Company requires an employee to permanently transfer resulting in the necessity of relocating his/her permanent residence, the Company will reimburse such employee for reasonable household moving expenses.

Employees may voluntarily transfer between districts using the Company's internal job posting policy. The transferring employee shall retain all of his/her company seniority for all purposes under this contract, except for bidding and vacation selection (but length of vacation entitlement shall be based upon company seniority). In case of bidding and vacation selection in the district transferred to, seniority will be measured from the first day of work in the district transferred to.

## **SECTION 12. 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 or the United States Merchant Marines.

Members of the National Guard or Reserves who are called for training camp will be paid the difference between normal pay and military pay for a maximum of two weeks during any calendar year.

## **SECTION 13. WAGES AND HOURS**

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

## **SECTION 14. PREMIUM PAY**

### **I. OVERTIME**

#### **A. NON-SHIFT EMPLOYEES** (Distribution, Outside Commercial, Office)

- 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 relieving a shift employee in Production.
- 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 relieving a shift employee in Production.
- 3) Wednesday to Sunday work week: (Distribution, Outside Commercial, Office) One and one-half (1½) times the regular hourly rate for all hours worked on Tuesday and two (2) times the regular hourly rate for all hours worked on Monday except when relieving a shift worker in Production.
- 4) Monday, Tuesday, Wednesday and Saturday work week: One and one-half (1½) times the regular hourly rate for all hours worked on Thursday and Friday, and two (2) times the regular hourly rate for all hours worked on Sunday.

- 5) One and one-half (1½) times the regular hourly rate of pay shall be paid:
- a. 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: (a) in the case of a shift or work week change caused by the employee bidding or bumping into another job or shift, and (b) 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 or Wednesday through Sunday shift in cases when his scheduled starting time for Saturday or Sunday encompasses the 24 hour period.
- b. All hours worked between the hours of 6 pm and 6 am except when relieving for a shift employee in operations or if an employee is assigned to a shift which encompasses the hours of 6 pm or 6 am.
- 6) One and one-fourth (1¼) times the regular hourly rate shall be paid for all normal scheduled straight-time hours worked on Sunday.

## B. SHIFT EMPLOYEES

- 1) One and one fourth (1¼) times the regular hourly rate shall be paid for all normal scheduled straight time hours worked on Sunday. For purposes of this paragraph "regular hourly rate" includes any applicable shift differential. Employees working as operators or assistant operators on a Sunday which also is a holiday will, in addition to the foregoing, be paid the holiday bonus set forth in paragraph II-A-3 of this section, such that for all normal scheduled straight time hours on said Sunday holiday, the employee will receive a total of two and three-quarter (2¾) times the regular hourly rate.
- 2) One and one-half (1½) times the regular hourly rate should 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 beginning at 7 am or other comparable starting time for the daylight shift, except in the case of a relief person filling in for an operator or assistant operator due to illness, funeral leave, vacation, jury and witness duty or personal leave day; 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 including the scheduled sixth day provided, however, that the employee was paid under the terms of the Contract for the five previous work days.

3) 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, and on his single day off in his scheduled six (6) day work week.

C. No employee shall be paid both daily and weekly overtime for the same hours worked.

D. 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.

E. It is agreed between the parties that shift differential rates payable to the operators and assistant operators will be used in the overtime calculations.

#### F. SHARING OF OVERTIME

1) All overtime shall be shared, insofar as possible, equally and alike in each class of work in each district , to be confined to each department of the Company by following the procedure set forth below in this Section F(1). To this end, the employees shall report promptly when called, and it is suggested that they acquaint their supervisor with any condition interfering with locating them in an emergency.

a. When callout overtime is necessary, the Company will utilize a rotating callout list in each department. The list will equalize opportunities to work callout overtime. When callout overtime is necessary, the Company will first call the employee who is next on the appropriate list following the last call-out. If an insufficient number of employees are obtained to work the overtime, the Company will use the appropriate availability list to obtain the needed employees. The availability lists will be maintained in seniority order and calls from the availability list will always commence with the most senior employee on the list.

b. Each employee will provide one phone number where he/she can be reached, unless special circumstances exist (on rare occasions only) to provide an alternate number. Each employee will be called only once, but the Company will, if the call is not answered, leave a message at the employee's telephone number indicating that the call was in fact made.

- c. If an insufficient number of employees respond to an overtime request after the Company calls each person one time, the Company will obtain such resources as are necessary to perform the work from outside the bargaining unit.
- 2) The Company shall not be required to fill vacancies, by classification if the payment of overtime can be avoided. In the event that overtime in that classification cannot be avoided, the Company shall be required to fill the vacancy by classification, except as provided in Section 14 I. B. (2) (b), except if a relief person can be used in the operator or assistant operator classification on a scheduled sixth day based on his schedule or the schedule of the individual he is replacing. The Company will assign an employee from outside that classification to fill a temporary and/or emergency vacancy at overtime rates if after all employees regularly assigned to said classification have been given an opportunity to fill the vacancy and are unavailable; further provided that employees outside the said classification can work at once or casual overtime in said classification if assigned to said classification when such overtime occurs.
  - 3) Overtime hours worked by each employee will be posted monthly.
  - 4) Notwithstanding any other provision of the Contract to the contrary, if the Company can fill a vacancy caused by an absence for any reason at straight time or by an employee already receiving premium pay for another reason, it shall be permitted to do so. Only if additional premium pay cannot be avoided shall the vacancy be filled classification by classification.

#### G. EXTENDED OVERTIME

- 1) An employee shall not be required to take time off during his scheduled working hours for overtime worked or to be worked, unless, in emergencies, he is required to work overtime to such an extent as to be unable to obtain sufficient rest before the start of his regular working period.
- 2) 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 shall be entitled to an eight (8) hour rest period before being required to again report to work. To the extent that any portion of the eight (8) hour rest period extends into his regularly scheduled work day, he shall be paid for such hours at the applicable hourly rate. If the Company requires the employees to report to work during any portion of such rest period, the employee shall be compensated for such hours at two (2) times his regular hourly rate to the extent that such hours are in the normally scheduled day. This provision is applicable to employee's second off day, provided that employee is called out on or

before his normal scheduled starting time.

- 3) The Company agrees that when an employee remains at work after completion of his regular work day (except with four hours' notice prior to the beginning of his regular shift) 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 overtime.

One meal allowance at the end of every four (4) hour intervals thereafter during such overtime work. Whenever the employee elects to eat a meal, the next time he shall be permitted to eat another meal or receive the next meal allowance shall be five (5) hours after the time he left the job site to eat.

- 4) The Company agrees 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 or at the next regular eating time (7 am - Noon - 6:30 pm), whichever is earlier, and at four (4) hour intervals thereafter during such overtime work. Whenever the employee elects to eat a meal, the next time he shall be permitted to eat another meal or receive the next meal allowance shall be five (5) hours after the time he left the job site to eat.

The Company agrees that when an office, outside commercial or distribution employee is scheduled for overtime work immediately following his regular work shift (with notice no later than four (4) hours prior to the start of his regular work shift), the employee shall be entitled to a meal allowance after working three hours into the overtime period provided that the employee is scheduled for at least four (4) hours of overtime work. The employee who elects to eat a meal will not be compensated for time expended while eating.

- 5) The meal allowance provided under this subsection G. is fixed at \$6.25, and reimbursement will be included in the employee's bi-weekly paycheck.

- H. For purposes of this Contract, the terms, "straight time hourly rate", "normal pay", "normal weekly pay", "normal weekly earnings", "regular hourly rate", "normal straight time weekly earning", "normal weekly straight time earnings", "basic hourly rate", and "straight time weekly rate" shall mean the normal rate of pay of that employee computed on the basis of his regular working hours or work week, excluding shifts or any other premium, penalty or overtime pay.

I. SCHEDULED OVERTIME - The Company agrees that when an employee is scheduled in advance to work and reports on an overtime basis (except as an extension of the regular work day), they will be guaranteed two (2) hours of overtime pay at the appropriate rate.

J. FLEXIBLE WORK WEEK

- 1) The Company may establish a regularly scheduled shift Tuesday through Saturday in the Distribution Department, Office and Outside Commercial Department. Such a shift shall be filled by bid and no employee employed as of November 18, 1976, shall be required to accept an assignment on such shift should there be no bidders in the Distribution and Outside Commercial Departments. No employee employed as of November 18, 1979, shall be required to accept such an assignment in the Office should there be no bidders.
- 2) The Company may establish a regularly scheduled shift Wednesday through Sunday in the Distribution, Outside Commercial, and Office Departments. Such a shift in the Distribution and Outside Commercial shall be filled by bid and no employee employed as of November 18, 1979 shall be required to accept an assignment on such shift in the Distribution or Outside Commercial Department should there be no bidders; and no employee employed as of November 18, 1999 shall be required to accept an assignment on such shift in the Office Department should there be no bidders.
- 3) In the event of a layoff in the Distribution or Outside Commercial Departments, no employee employed by the Company on November 18, 1976, shall be forced to accept an assignment on the Tuesday through Saturday shift. In the event of a layoff in the Office, no employee employed by the Company on November 18, 1979, shall be forced to accept an assignment on the Tuesday through Saturday shift. In the event of a layoff in either of the three departments, no employee employed by the Company on November 18, 1979, shall be forced to accept an assignment on a Wednesday through Sunday shift.
- 4) Vacancies due to sickness, vacation and other excused leaves of absence occurring on the Tuesday through Saturday shift or the Wednesday through Sunday shift in the Distribution or Outside Commercial Departments or the Tuesday through Saturday shift in the Office may be filled first by moving up if other qualified employees are available on those shifts, if the Company desires to fill such vacancies. If, however, the Company desires to maintain the same number of employees on these shifts, the vacancy may be filled by assigning the junior qualified employee hired after November 18, 1979, on the daylight shift in that department at the straight time hourly rate.

**K. CALL-OUT WHEN ON VACATION** - When Bargaining Unit employees are to be called for call-out overtime, the call-out procedure in effect in the district in which the overtime arises shall be applied to all bargaining unit employees, regularly subject to such procedure, including employees who are on vacation. Henceforth, those employees not on vacation shall be offered overtime opportunity according to the practices and procedures then existing in the district in which the overtime arises, and after the overtime opportunity is offered to all such employees, if there is still a need for employees to work overtime, overtime opportunities shall be offered to all employees eligible for such overtime who are on vacation. If an employee who is on vacation is called to work overtime and is not available, or refuses to work such overtime, such refusal shall not be considered in any overtime equalization calculation. An employee shall be considered to be on vacation starting from the cessation of his last regularly scheduled day worked prior to the commencement of his vacation, and ending one minute prior to the commencement of his first scheduled work day following vacation.

**II. HOLIDAYS**

A. The following holidays will be recognized for the purposes set forth in the subsequent paragraphs of this Section:

- |                  |                          |
|------------------|--------------------------|
| New Year's Day   | Day after Thanksgiving   |
| Thanksgiving Day | First day of Deer Season |
| Good Friday      | Christmas Eve            |
| * Memorial Day   | Christmas Day            |
| Independence Day | 2 Personal Leave Days    |
| * Labor Day      | (refer to Para. 7)       |
| *Columbus Day    |                          |

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

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.

In the case of an operator, assistant operator or a relief person filling in for an absent assistant operator or operator, holidays falling on a Sunday will be observed on Sunday.

- 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. In the case of a shift employee, this shall be construed to mean the rate applicable to the daytime shift.



- 2) Each non-shift 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.
- 3) Each shift employee will normally be required to work when any holiday falls on one of his regularly scheduled work days. When so required to work, he will be paid a holiday bonus equal to eight (8) hours at his regular hourly rate applicable to the first full shift of eight (8) hours worked on such holiday. In addition, he will be paid at one and one-half (1½) times his regular hourly rate for the first eight (8) hours worked and two (2) times his regular hourly rate for all other hours worked that day.
- 4) When a holiday falls on the sixth (6th) day of a shift employee's scheduled work week, he will be paid, in addition to the holiday bonus of eight (8) hours at the regular hourly rate, two (2) times his regular hourly rate for all hours worked that day.
- 5) 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.
- 6) 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) The Company agrees to grant each regular employee two 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. Unused personal days are forfeited upon termination of employment.

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.

## **SECTION 15. OTHER TERMS OF EMPLOYMENT**

### **PROBATIONARY PERIOD**

The probationary period shall be sixty (60) working days of employment. 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 nor shall it be payable to permanent part-time employees.

### **JURY DUTY, WITNESS DUTY, DEATH IN FAMILY**

The Company guarantees normal pay to employees while on jury duty or while serving as a duly subpoenaed non-party witness by paying the difference between the straight time hourly rate and the amount received for such duty. The provision relating to witness pay shall not apply to any proceeding in which the Company and the Union are adverse parties nor to any employee subpoenaed in such a proceeding by other than the Company.

Regular employees shall be granted a maximum of four (4) days absence with pay in the event of death of the employee's father, mother, brother, sister, spouse, child, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandparent, grandchild, stepchild, son-in-law or daughter-in-law. For non-traditional funeral practices (e.g., cremation), employees shall be granted a maximum of four (4) days absence with pay to be taken from the date of death up to and including the memorial service so long as that period of time does not exceed thirty (30) calendar days. This provision applies only to those situations covered under this paragraph. The term "spouse" includes a common law spousal relationship, but only when the employee has at least sixty days prior to the death of the common law spouse (a) filed with the United States Internal Revenue Service an individual income tax return, Form 1040, listing the employee's filing status as "married" (either married filing joint return or married filing separate return) with the name of that common law spouse, or (b) filed with the appropriate public office a deed stating a proper interest in real estate which specifically lists the employee's and that common law spouse's interest as "husband and wife" or "joint tenants by the entireties" (other joint tenancy terms not specifically referring to "husband and wife" or "tenants by the entireties" are not acceptable).

Regular employees shall be granted a maximum of two (2) days absence with pay for the purpose of attending the funeral ceremony of the employee's step-parents.

Regular employees (bloodline relatives only), shall be granted a maximum of one (1) day's absence with pay for the purpose of attending the funeral ceremony of employee's step-relatives, uncle, aunt, nieces and nephews; and limited to the bloodline relatives only of spouse's aunt, uncle and grandparents.

It is agreed, however, that where distance permits, employees will return to work on the day following the funeral ceremony.

The time off granted an employee for a death in the family is not a guarantee of paid days off. The employee may receive less than the maximum number of days off depending on the day of death and on the day of the funeral ceremony.

### **TEMPORARY TRANSFERS BETWEEN DISTRICTS**

Temporary transfers between districts is defined as a transfer not exceeding thirty (30) consecutive work days. Temporary transfers between districts shall be limited as follows:

1. Between Butler and Kittanning
2. Between Lawrence and Butler
3. Between Kittanning and Indiana
4. Between Indiana and Punxsutawney
5. Between Clarion and Punxsutawney
6. Between Warren and Kane
7. Between Washington/Valley and Fayette
8. Between Pittsburgh and the Washington/Valley District

If employees are temporarily transferred to a job in another district that pays a lower rate, there shall be no reduction in wages, and if employees are temporarily transferred to a job in another district that pays a higher hourly rate, the employees shall receive a higher rate while so employed.

During the first five (5) work days of such temporary transfer, the employee shall report to his regular place of employment and shall be paid his regular hourly rate for the time spent in traveling. The same rule shall apply in returning to his regular place of employment.

Commencing with the sixth (6th) work day, the employee may, at the discretion of the Company, be required to report to the location of the temporary transfer at the regular starting time. He shall receive a travel allowance of four dollars (\$4.00) for the time spent in traveling to and from his home. In the event an employee uses his own vehicle in traveling, he shall be reimbursed on a mileage basis, at the rate recognized for travel reimbursement by the Internal Revenue Service.

If overtime occurs on the job to which employees are temporarily transferred, the transferred employee shall be entitled to work overtime.

## **TEMPORARY TRANSFERS WITHIN THE DISTRICT**

If regular employees are temporarily transferred to other jobs paying a lower hourly rate, there shall be no reduction in hourly rate, and if employees are temporarily transferred to other jobs paying higher hourly rates, they shall receive such higher rates while so employed. This provision shall not be applicable to employees who are provided light-duty type work of a lower rated job because of medical reasons or physical limitations. However, any employee who is provided light-duty type work of a lower rated job because of medical reasons or physical limitations shall continue to receive the higher rate of pay for his or her classified job if said employee elects, for each day for which he or she desires to receive such higher rated pay, to have deducted from his or sick leave accumulation, a complete sick day. If said employee has no remaining sick days, he or she shall be compensated for the lower rated job at the lower rate of pay. Notwithstanding the foregoing, any employee who is provided light-duty type work because of medical reasons or physical limitations shall be provided such work for the same number of daily straight-time hours as applies to his or her classified job, unless his or her physical limitations mandate light-duty work for a number of hours less than the regular number of straight-time hours applying to his or her classified job. In addition to and not in limitation of the foregoing language or existing practices, if an employee performs a work function that is normally, customarily or usually done in a classification bearing a higher hourly rate than the employee's regular classification, which work function is not normally, customarily or usually done in the employee's regular classification, the employee shall be paid at the higher hourly rate for the time actually spent performing said work function. The immediately preceding sentence does not apply to operating of compressors by utility men in districts other than Lawrence.

Any job that exists or is created by reason of additional work not due to sickness, vacation, leave of absence or military service and exists for more than ninety (90) consecutive days shall be posted and bid as a regular job.

## **CALL-OUT-PAY**

Employees shall only be called out to perform emergency duties and when called out shall receive a minimum time allowance of two hours at the appropriate overtime rate. If during the period of the initial call-out and prior to going home, but in no event later than two hours after the call-out, additional emergency duties arise, the performance of those duties shall be included in the call-out, provided, however, the employee may, during the call-out also be required to perform turn-ons requested of the Company following the closing of the most recent office business day. If the initial call-out goes beyond the two hour period, additional emergency duties arising after the two hours shall constitute another call-out except that an employee or crew may be required to stop the flow of water if causing damage without such work being considered another call-out.

## **MINIMUM TIME ALLOWANCE**

Employees engaged in the classes of work specified in Appendix "C" as Distribution employees who commence work and who are obliged by the Company to stop work during the day for any reason will be paid one-half (½) of one (1) day's wages if they are forced to stop during the forenoon; or a full day's wages will be paid if they are forced to stop work during the afternoon.

Employees engaged in the classes of work specified in Appendix "C" as Distribution employees who report for work on order of the Company, either expressed or implied, and who are not to put to work for any reason, shall receive a minimum of three (3) hours pay.

## **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.

## **SECTION 16. WORK BY SUPERVISORS**

Except in cases of emergency, the Company agrees that a foreperson, superintendent, supervisor or executive in charge shall not perform any work covered by employees in Appendix "C", which can be performed by the employees under their supervision other than to demonstrate how they desire the work to be done.

## **SECTION 17. CONTRACTING OF WORK**

- A. If the number of regular full time bargaining unit employees falls below one hundred seventy five (175) and remains below that level for 90 consecutive calendar days, the following work will not be performed by contractors except as hereinafter set forth:
1. Installation of services on existing mains, including digging and backfilling.
  2. Installation of services on new mains, but not including digging and backfilling.
  3. Fire hydrant connections on existing mains, including digging and backfilling.
  4. Main line connections (main to main) not including digging and backfilling.
  5. All tapping sleeves.
  6. Maintenance of existing installations.

EXCEPT:

- A. In cases of emergency when employees covered by the Contract are not available, or
  - B. In cases where excavating or other mechanical equipment not owned by the Company must be hired together with the operator of such equipment.
- B. It is agreed that employee(s)' jobs that are eliminated due to technological changes will not be counted as part of the number set forth in Paragraph A above. The Company will provide formal notice to the Union at least 15 calendar days prior to eliminating any position due to technological changes and the Company and the Union agree that whether position elimination is due to technological change is a proper subject for the grievance procedure. The provisions of Section 28 of this Agreement will govern the treatment of such positions.
- C. Effective November 16, 2016, the Company agrees that no regular employee shall be laid off, or no regular employee who is laid off shall remain off, while work coming under the jurisdiction of this Contract is being done by outside contractors, except:
- 1) In cases of emergency when employees covered by the Contract are not available, or
  - 2) In cases where excavating or other mechanical equipment not owned by the Company must be hired together with the operator of such equipment.

It should be stressed, however, that this paragraph does not prohibit contracting out as such; it merely protects employees against layoffs as a result of subcontracts. For purposes of this Section, a regular employee is a bargaining unit employee who has completed his or her probationary period.

D. Miscellaneous

- 1) The Company will offer Distribution employees call-out and scheduled overtime opportunities for flagging before going to a contractor for flagging jobs that start after the end of the regularly scheduled work day. Distribution Department employees will be given the opportunity for this overtime work if they have signed an availability list to be created for flagging work. It is understood that a crew of bargaining unit employees assigned flagging during scheduled hours will not be removed upon the end of that regular shift, and a contractor that began a job during scheduled hours will not be replaced by bargaining unit employees at the end of scheduled work hours.

- 2) The Company will offer Distribution employees call-out and scheduled overtime opportunities, using the applicable availability lists, for maintenance of existing installations before going to a contractor for jobs of this nature that start after the end of the regularly scheduled work day. It is understood that a crew of bargaining unit employees assigned this work during scheduled hours will not be removed upon the end of that regular shift, and a contractor that began a job during scheduled hours will not be replaced by bargaining unit employees at the end of scheduled work hours.

[Note: side letter to be used to confirm the district(s) in which Commercial Department and or Production Department employees are used for call-out overtime work coming under D.1 & D.2 (i.e., flagging & maintenance of existing installations)]

- 3) Irrespective of the language contained in Subsection A of this Section 17 and irrespective of whether there are more or less than 175 regular full time bargaining unit employees employed by the Company, the Company agrees that it shall maintain the number of classified backhoe operator positions filled by classified backhoe operator bargaining unit employees in each of the districts as is set forth below, that it shall maintain in each such district at least as many backhoes that are owned or leased or rented by the Company as there are classified backhoe operator positions and that it shall use the bargaining unit employees to operate the backhoes before any contractors furnish backhoes and backhoe service to the Company, as follows:

- a) McMurray-3
- b) Valley-2
- c) Lawrence-2
- d) Butler-1

This provision does not prohibit the Company from using contractors to perform backhoe work at any time.

## **SECTION 18. PAYDAYS**

All employees of all districts shall be paid every other Friday for work done during the two (2) week period ending at midnight of the preceding Sunday. Except for employees who are not utilizing any form of direct deposit as of November 17, 2004, all employees shall be required to have their paychecks deposited directly by the Company, by virtue of wire service, direct wire deposit, or similar process, in an account in a banking institution selected by the employee. As to those employees having paychecks deposited directly, the Company shall only be required to do so if the banking institution to which the deposit is to be made on the employee's account is willing and able to receive funds by such method, and the Company shall only deposit to the employee's account that portion of the employee's pay remaining after all state, federal and local taxes required to be deducted from

earnings, and all other deductions agreed to be made by the Company from earnings, either pursuant to this agreement or otherwise are in fact made from said earnings. Such funds to be directly deposited shall be placed into the employee's account by the time that the bank at which the employee maintains the account into which the deposit is to be made opens for business on the pay day in question, except that if said bank is unable to make said deposit at said time as a result of its internal operating procedures or the internal operating procedures of any other bank involved in the wire transmission process, such funds shall be so directly deposited at the earliest possible time thereafter. As to those employees personally receiving paychecks, the Company will endeavor, by use of its best efforts, to have paychecks available to the employees in their respective districts at Company facilities as early as practicable on pay day.

## **SECTION 19. VACATIONS**

Subject to Paragraph G, the following vacation schedule shall apply:

- A. Each employee hired prior to November 18, 1999, who within any calendar year, has twenty-five (25) years or more of length of service shall be entitled to six (6) weeks' vacation during that calendar year.
- B. Each employee hired prior to November 18, 1999, who within any calendar year, has twenty (20) years or more of length of service shall be entitled to five (5) weeks' vacation during that calendar year.
- C. Each employee who within any calendar year has 15 years or more of length of service shall be entitled to four (4) weeks' vacation during that calendar year.
- D. Each employee who within any calendar year has 8 years or more length of service shall be entitled to three (3) weeks' vacation during that calendar year.
- E. Each employee who within any calendar year has 1 year or more of length of service shall be entitled to two (2) weeks' vacation that calendar year.
- F. During the first calendar year of employment, the employee will not be entitled to vacation. During the second calendar year of employment, the employee shall be entitled to vacation calculated as follows:
  1. The employee's full vacation in the second calendar year of employment shall be that percent of two (2) weeks that the number of months or portion of months elapsed from his date of hire to the end of his first calendar year of employment bears to 12 except that anyone hired after the 15th day of any month shall, for purposes of this subsection "F" only, be treated as having been hired on the first day of the following month.

In order to qualify for a full vacation under subparagraph (1) above, an employee must have worked or have been compensated for at least seventy (70) percent of his straight time hours



scheduled during his first calendar year of employment from the date of his hire to the end of the first calendar year of employment. An employee who works or is compensated for less than forty (40) percent of the straight time hours scheduled during his first calendar year of employment from his date of hire to the end of his first calendar year of employment shall receive no vacation. An employee who works or is compensated for between forty (40) percent and seventy (70) percent of the scheduled straight time hours during his first calendar year of employment from his date of hire to the end of his first calendar year of employment shall receive a pro-rata vacation in accordance with Section "N".

With regard to this subsection "F" only, the words "scheduled hours" in Section "N" shall mean straight time hours scheduled during the first calendar year of employment from the date of hire to the end of the first calendar year of employment.

If fractional vacation days are involved, they will be dropped in cases of one-half day or less and will be increased to a full day in cases of more than one-half day.

- G. In all other cases, in order to qualify for a full vacation, an employee must have worked or have been compensated for at least seventy (70) percent of his straight time hours scheduled during the preceding calendar year. An employee who works or is compensated for less than forty (40) percent of the straight time hours scheduled during the preceding calendar year shall receive no vacation. An employee who works or is compensated for between forty (40) percent and seventy (70) percent of the scheduled straight time hours shall receive a pro-rata vacation in accordance with Section "N".
- H. For each full week of vacation to which an employee is entitled, he shall be paid an amount equal to his normal straight time weekly earnings. For vacations of less than one week, an employee shall be paid for each day of vacation in an amount equal to his basic hourly rate of pay multiplied by the number of normally scheduled hours.
- I. The Company agrees that the employee's wishes be considered in setting up the vacation schedule; and whenever possible to do so without interfering with the orderly and continuous operation of the plant, employees shall be permitted to take their vacation at the times desired by them. The number of individuals in any department permitted to be absent for purposes of vacation and personal days, at any one time, shall be the greater of such percentage of the work force as is now permitted to be absent for said purposes, or 15% of such work force. With regard to any office department, at the beginning of each calendar year, the Company may designate "restricted weeks" where, for legitimate business necessity, the Company determines that less than either the currently allowed percentage of absences or 15% of the work force whichever shall apply, may be absent for vacation and personal days at any one time. The number of such individuals permitted to be absent for vacation and personal day purposes in the remaining weeks of that calendar month shall be increased above the greater of 15% or the percentage of the work force in that department permitted to be absent for such purposes, so that the average number of employees allowed off in the entire calendar month on each work day thereof shall equal or exceed the greater of 15% of the work force in said department or

the percentage of the work force in said department normally permitted to be absent for such purposes. With regard to calculation of the exact number of employees permitted to be absent for vacations and personal days at any particular time, if the application of the applicable percentage to the number of individuals in any one department results in a number with a fractional component equal to or greater than 0.5, the number of employees permitted off shall be rounded up to the next whole number, and if said fractional component is less than 0.5, the number of employees shall be rounded to the next smaller whole number.

- J. Employees will be permitted to take not more than three weeks' vacation a day at a time provided that no more than eight single vacation days may be used in conjunction with a weekend and no more than three single vacation days may be used in conjunction with a holiday. In the event an employee elects to take such weeks in days and it is necessary to replace the employee, such replacement shall work at straight time pay. When an employee is scheduled to work some weeks of forty-eight (48) hours, only two (2) such weeks may be included in his vacation for any year, and the vacation pay shall include the sixth (6th) day pay at time and one-half. In all districts, all vacation selections for the calendar year shall be completed by March 1.
  
- K. The vacation to which an employee is entitled in any calendar year may be taken any time during that year subject to the following conditions:
  - 1. The provisions of subparagraph J.
  
  - 2. The stipulation that any vacation to which an employee is entitled in any calendar year will be forfeited if not taken in that year unless the failure of the employee to take his vacation is the result of specific request by Management. If any employee has been required by Management to forego all or any part of his vacation, or if all or any part of the vacation cannot be taken because of sickness and substitute periods cannot be arranged before December 31, employee shall be permitted to take the remaining vacation in the January and February next following. The Company, upon request of the employee, will pay him in advance for the period of this vacation. An employee who is unable to take his vacation during these two (2) months will be paid for such unused vacation.
  
- L. Upon layoff, commencement of leave of absence for union business pursuant to Section 25 or termination of service for any reason the employee shall be entitled to vacation earned in the year of layoff, commencement of leave of absence for union business pursuant to Section 25 or termination calculated as follows: This entitlement shall be in addition to any vacation earned in the preceding year and not taken as of the time of layoff, commencement of leave of absence for union business pursuant to Section 25 or termination.
  - 1. The employee's full vacation earned in the year of layoff or termination shall be that percent of a full vacation that the number of months or portion of months elapsed from January 1 of the year of layoff or termination to the date of layoff or termination bears to 12 except that anyone laid off or terminated

before the 15th day of any month shall, for the purpose of this subsection, be treated as being laid off or terminated on the first day of that month.

2. In order to qualify for a full vacation under this subsection, an employee must have worked or have been compensated for at least seventy (70) percent of his straight time hours scheduled during the year of layoff or termination from January 1 of that year to the date of layoff or termination. An employee who works or is compensated for less than forty (40) percent of the straight time hours scheduled during the year of layoff or termination from January 1 of that year to the date of layoff or termination shall receive no vacation. An employee who works or is compensated for between forty (40) percent and seventy (70) percent of the scheduled straight time hours during the year of layoff or termination from January 1 of that year to the date of layoff or termination shall receive a pro rata vacation in accordance with Section "M".

With regard to this subsection the words "scheduled hours" in Section "M" shall mean straight time hours scheduled during the year of layoff or termination from January 1 of that year to the date of termination or layoff. No pro-rata vacation shall be paid in the year of recall.

3. Upon return to work due to recall from layoff or expiration of leave of absence for Union Business, an employee shall be entitled to no vacation from the date of said return to work to December 31 of the year of return to work. In the year following the year of his return to work, the employee shall be entitled to that percent of a full vacation that the number of months or portion of months elapsed from the date of his return to work to December 31 of the year of his return to work bears to 12, except that anyone returning to work after the 15th day of any month shall, for the purposes of this subsection L-3 only, be treated as having returned to work on the first day of the following month. In order to qualify for a full vacation under this subsection L-3, an employee must have worked or have been compensated for at least seventy (70) percent of his straight time hours scheduled between the date of his return to work and December 31 of the year of his return to work. An employee who works or is compensated for less than forty (40) percent of the straight time scheduled hours between the date of his return to work and December 31 of the year of his return to work shall receive no vacation. An employee who works or is compensated for between forty (40) percent and seventy (70) percent of the scheduled straight time hours between the date of his return to work and December 31 of the year of his return to work shall receive pro-rata vacation in accordance with Section "M." With regard to this subsection L-3 only, the words "scheduled hours" in Section M shall mean straight time hours scheduled between the date of return to work and December 31 of the year of return to work. If fractional vacation days are involved, they will be dropped in cases of one-half day or less and will be increased to a full day in cases of more than one-half day.

4. This clause "L" shall be effective as of November 18, 1982.

M. Pro-rata vacation schedule is as follows:

IF EMPLOYEE WORKS OR IS COMPENSATED FOR:	EMPLOYEE ENTITLED TO VACATION OF:
70% or more of straight time schedule hours	Full Vacation
60% or more but less than 70% scheduled hours	75%
49% or more but less than 60% schedule hours	50%
40% or more but less than 49% scheduled hours	40%
Less than 40% scheduled hours	0

N. It is understood that hours worked shall include all hours compensated for by the Company including, but not limited to, paid vacation and fully paid sick leave.

O. With regard to a retiring employee, he shall be entitled in addition to any vacation earned and not yet taken for the immediate previous calendar year, a vacation for the year of retirement equal to the full vacation that would have been permitted to him in the year of retirement as if he had worked or had been compensated for seventy (70) percent or more of the straight time scheduled hours for the year of retirement notwithstanding actual hours worked or compensated for in the year of retirement.

P. For vacation selection purposes employees may, in any given year, select vacation time up to and including the first Friday in January of the following calendar year so long as the employee's selected vacation time ending in the following calendar year is at least one full week in duration and the vacation ends on the Friday mentioned above.

Q. Employees on a disability leave of absence who have exhausted their sick leave benefits under Section 20. B of this agreement may elect, at their option, to (1) receive payment for the vacation pay which they have accrued from the prior year but not yet taken, or (2) await scheduling vacation upon returning to work before the end of the calendar or receive vacation pay if remaining disabled past year end or if insufficient time exists to take such vacation between the return to work and year end for vacation purposes. The payments of unused vacation under option (1) above is limited as follows:

- a. Only full week increments of vacation pay may be selected and if less than all remaining vacation is selected, the weeks not selected will be treated as provided for in option (2).
- b. The payment of this vacation pay does not entitle the employee to any other benefits beyond those otherwise provided to a disabled employee that has exhausted sick leave benefits under Section 20. B of this agreement. (For

example, there will be no holiday pay for the holidays which fall during the time or the payment of this vacation pay, and this vacation pay will not count toward the time worked for establishing the following year's vacation entitlement or toward establishing a new sick leave year.)

- c. The election to receive the vacation payments under option (1) can be made only once and can only apply to the period immediately following the exhaustion of sick leave benefits under Section 20. B of this agreement.
- d. It is the employee's responsibility to timely request vacation pay under option (1) and to identify what previously scheduled but unused vacation period the election covers, and if no such request is made at least one week prior to the date on which the employee's sick leave benefits run out, then the employee's remaining vacation pay will be handled under option 2 in accordance with the other terms of this agreement.
- e. The Company will continue its practice of transferring retiring employees from any disability benefit roll to vacation pay status sufficiently in advance of their retirement date to exhaust their remaining vacation time prior to their retirement date.

**SECTION 20. DISABILITY BENEFITS AND LIFE INSURANCE**

**A. LEAVES OF ABSENCE FOR SICKNESS OR ACCIDENT DISABILITY**

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

LENGTH OF SERVICE	MAXIMUM PERIOD OF LEAVE OF ABSENCE
Sixty (60) days but less than six (6) months	Six (6) weeks
Six (6) months but less than one (1) year	Twenty-eight (28) weeks
One (1) year but less than two (2) years	One (1) year
Two (2) years but less than five (5) years	Two (2) years
Five (5) years but less than ten (10) years	Four (4) years
Ten (10) years and over	At least four (4) years

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

**B. PAYMENTS DURING LEAVES OF ABSENCE FOR SICKNESS OR ACCIDENT DISABILITY**

The “Disability Year” will be from January 1 to December 31 of the calendar year starting with the year 1997.

Paid leave of absence for illness or accident disability during any calendar year will be granted dependent upon years of completed service at January 1 of that year.

Each employee hired on or before December 8, 2012 who is disabled and unable to perform his or her regular duties as a consequence of illness or accident shall be paid as follows during such disability:

LENGTH OF SERVICE @ JANUARY 1	MAXIMUM NUMBER OF WEEKS IN ANY CALENDAR YEAR IN WHICH PAYMENTS WILL BE MADE BY THE COMPANY
Less than one (1) year of completed service	One (1) day for each completed three (3) months of service.
One (1) year or more of completed service	One (1) week for each completed year of service with a minimum of two (2) weeks plus one (1) day for each week of sick leave not used in the prior calendar year (to a maximum of thirty (30) days). It is not intended that unused sick leave be carried over more than one (1) year.

Completed year of service means a twelve-month period ending on the day prior to the anniversary date of employment.

One (1) week represents five (5) working days for the purpose of calculating Company-paid sick time.

- 1) The employee’s completed years of service on January 1 shall be used to determine the maximum number of weeks in which he or she shall be entitled to a paid leave of absence under this SECTION during that calendar year.
- 2) The “Disability Year” shall be a twelve (12) month period commencing on January 1 of each year of active employment except if a period of disability overlaps January 1 of any year he or she shall continue to draw such pay from the Company until he or she has received the maximum number of weeks of paid leave which he or she would have been entitled to at the beginning of the past “Disability Year.” This employee would not be entitled to any further payments until he or she returns to active employment for at least one (1) day nor shall this employee be entitled to further payment for the same or related disability until he or she has returned to active employment for two (2) weeks.

- 3) Regular full time employees hired after December 8, 2012 , who are disabled and unable to perform his or her regular duties as a consequence of illness or accident shall be paid as follows during such disability:
  - a. He/she shall, after having been in the continuous service of the Company for at least ninety (90) calendar days, be eligible for 10 work days of sick leave per calendar year to be used in case of illness or injury. Sick leave is earned during the first calendar year of employment as follows-ten (10) work days of sick leave if hired on or before June 30 and five (5) work days of sick leave if hired on or after July 1. Employees hired after the date of ratification who do not use all of their annual work days of sick leave may carry over unused days into a sick bank, to be used in the event of illness or accident prior to going on short term disability as set forth in the short term disability plan as implemented by American Water Works Company, Inc. on January 1, 2011. This bank shall be capped at 50 work days. All days in an individual's sick bank shall be compensated for at the rate of 8 hour's pay at the individual's regular rate of pay.
  - b. 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 the employee to use paid sick days prior to taking an unpaid Family and Medical Leave Act (FMLA) leave.
  - c. Employees whose illness continues into a new calendar year must return to work for at least seven calendar days before receiving a new ten (10) days of sick leave allotment.
  - d. Sick leave 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 not permitted to return to work.
- 4) The following provisions apply to all employees, irrespective of the date of hire.
  - a. If the employee is entitled to, in any given week, Temporary Total Disability Benefits under the Pennsylvania Workman's 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 attached hereto as Appendix D.
  - b. The Company may require a suitable statement from the employee's physician, certifying to the disability or may elect to have a physician elected by it to examine the employee.
  - c. Employees are required to contact the Company's Short Term Disability provider if an absence is expected to last longer than five (5) consecutive work days.

- d. Employees with serious health conditions may also be eligible for FMLA leave and/or the Short Term Disability Program as implemented by American Water Works Company, Inc. on January 1, 2011. Short Term Disability Benefits are offset by any available and unused sick leave (including sick leave banks, if available).

### **C. 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, and now in the possession of each employee in the Bargaining Unit, and dated August 1, 1995, as amended, is 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, 2000. 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. and the Utility Workers Union of America, AFL-CIO.

### **SECTION 21. PENSIONS**

The Pension Plan described in Appendix "B" will continue in effect and will not be subject to renegotiation until July 1, 2000. 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. and the Utility Workers Union of America, AFL-CIO.

### **SECTION 22. BULLETIN BOARD**

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

### **SECTION 23. GUARANTEED WORK WEEK**

The Company agrees that all regular employees who commence work on the first day of any regular work week, as established for his particular job, shall be guaranteed those hours set forth in Appendix "C" for the respective departments, provided the employee is at all times, during such work week, available for work.

### **SECTION 24. OCCUPATIONAL SAFETY**

The Company and the Union agree to comply with all Governmental requirements relative to safety in order to protect the health and safety of the employees.



## **SECTION 25. LEAVE OF ABSENCE FOR UNION BUSINESS**

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 two employees 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 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 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.

The Company also agrees to allow the Union System President and Vice President time off without pay to attend the following:

- (a) one third step grievance meeting per month;
- (b) one meeting per quarter for the purpose of discussing items of mutual interest;
- (c) arbitration hearings involving any of the Company's districts, including the Pittsburgh Suburban District, Pittsburgh area.

Any System Local officer employed in any district covered by this contract shall be allowed time off without pay to attend four (4) System Local Union Executive Board meetings per calendar year, whether or not the meetings are scheduled during the employee's working hours, including a reasonable time allowance for travel to or from the meeting when necessary. At least five (5) days' notice of the date and time of the meeting shall be given to the Company and the Company may elect not to fill the vacancy thus created.

In the calendar year in which an individual returns from a leave of absence for union business, he 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. With regard to calculating vacation to be taken in the calendar year following the year of return from leave of absence, the time spent on leave of absence during the calendar year in which the individual returned from such leave shall be counted as hours worked.

The parties agree that one individual who is the Union's executive board member employed at the time in Pennsylvania-American Water Company's Mechanicsburg-West Shore 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:

- a. Such absences shall not occur on more than four days per calendar year, commencing with the calendar year 1999.
- b. Such absences shall only be permitted if the employee or the Union provides Pennsylvania-American Water Company with at least two weeks' advance notice of the specific date upon which this leave is sought.
- c. 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 Mechanicsburg 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 Mechanicsburg system local executive board member seeking to be absent from work pursuant to this paragraph is employed as a plant/production employee (e.g. an employee covered under "Section 2. Wages and Hours Shift Employees" under the current Mechanicsburg 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.
- d. No such executive board meeting shall be more than one day in duration.

The Company agrees to allow the Union System President and Vice President, if employed by Pennsylvania-American Water Company in this Outside Districts bargaining unit (or in the Pittsburgh contract bargaining unit), time off without pay to attend arbitration hearings involving Pennsylvania-American Water Company's Mechanicsburg district, so long as said officers have requested such unpaid time off at least two weeks in advance of the arbitration hearing date.

The parties agree that the following shall apply to any individual who is a system local Union officer and who is employed by Pennsylvania-American Water Company in this Outside Districts bargaining unit (or in the Pittsburgh contract bargaining unit):

- a. Such individuals shall, under the limits set forth below, be given unpaid time off from work to attend "final step" grievance meetings in the Mechanicsburg-West Shore District. A "final step" grievance meeting is the meeting step described in the grievance adjustment section of the Mechanicsburg contract immediately preceding the final and binding arbitration step in said grievance adjustment section.
- b. The individual or individuals seeking such unpaid leave shall provide at least two weeks advance notice of the specific date on which this leave is sought.
- c. 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.

- d. 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 per calendar year.
- e. No more than two such individuals may attend any one final step grievance meeting and no more than two such meetings 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.
- f. In recognition of the fact that the number of Mechanicsburg 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, Pennsylvania-American Water Company agrees that, if the Union requests a combination of final step grievance meetings 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.
- g. No such final step grievance meeting shall be more than one day in duration.

Absences provided for in the immediately preceding three paragraphs in this Section (regarding Mechanicsburg officers and grievances) shall only be permitted in those cases (1) when the Union executive board meeting, arbitration hearing or Mechanicsburg 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 leave provision provided for in the immediately preceding four paragraphs in this Section (regarding Mechanicsburg officers and grievances) shall cease as to any covered bargaining unit no longer represented by the Union.

**SECTION 26. TEMPORARY EMPLOYEE**

"Temporary employees" shall mean all employees hired by the Company, or individuals whose services are contracted for through temporary employment agencies or through other entities on a temporary basis to either enlarge or maintain the existing work force as needed 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 or she will be used on, as soon as this information is known to the Company.
- 2) Temporary employees shall be hired in to the lowest classification in the department in which they are to be used, after upgrading the appropriate number of bargaining unit employees, if necessary.
- 3) The number of temporary employee hours in a calendar year will not exceed the hours set forth in the following chart:

Northern Districts (Butler, Clarion, Indiana, Kane, Kittanning, New Castle, Punxsutawney and Warren	12,800
Southern Districts (Elizabeth, McMurray and Uniontown)	19,200

Temporary employees shall be required to join the Union and to pay Union dues and assessments as otherwise provided in this contract, and in the Union Constitution and By-Laws.

The Company has the exclusive right to determine the individuals 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 70% of the lowest bargaining unit rate, excluding progression rates.

Temporary employees shall not accrue seniority or be entitled to the following benefits:

- (a) Holiday pay
- (b) The right to bid any job
- (c) Sick leave
- (d) Personal leave day

(e) Minimum time allowance

The management and direction of temporary employees, including the right to hire, suspend, discharge, transfer or relieve such employees from duties is vested exclusively in the Company. The Union and its members will cooperate fully in this effort.

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

Temporary employees will not be required to work outside if bargaining unit employees are excused from outside work due to weather. In such instances, temporary employees may be sent home, at the discretion of the Company.

## **SECTION 27. UNIFORMS**

Effective September 1, 1977, the Company shall provide uniforms for the Distribution, Plant and Outside Commercial Department employees and the wearing of the uniform shall be required and may only be worn during working hours, including traveling to and from work.

Five (5) pairs of trousers, five (5) long sleeve shirts and five (5) T-shirts (the T-shirt is the summer uniform shirt) for all employees in Distribution and the Plants, and any employee in the Outside Commercial Department who has not heretofore been furnished a uniform. In lieu of T-shirts, the Outside Commercial employees shall receive five (5) short sleeve shirts. One pair of coveralls shall be furnished to the Plant Maintenance Men and all employees in Distribution.

All employees will be responsible for the maintenance of their own uniforms and unusable articles shall be returned prior to the issuance of replacements; however, no uniforms need to be returned until replacements are received. Upon termination of employment for any reason, all uniforms shall be returned to the Company.

## **SECTION 28. 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 29. DURATION OF CONTRACT**

This Contract shall be binding upon the parties hereto, their successors and assigns, from December 8, 2012, to November 17, 2016, both dates inclusive, and from year to year thereafter unless at least sixty (60) days before November 17, 2016, or any succeeding November 17th, the Company or the Union serves written notice on the other party of its desire to change or terminate the Contract.

Signed and delivered in sextuplet this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

PENNSYLVANIA AMERICAN WATER  
COMPANY, OUTSIDE DISTRICTS

UTILITY WORKERS UNION OF  
AMERICA, SYSTEM LOCAL 537

By: \_\_\_\_\_

By: \_\_\_\_\_

Stephen Tambini, Vice-President of Operations

J. Kevin Booth, System President

By: \_\_\_\_\_

By: \_\_\_\_\_

James Sray, Manager Labor Relations

Michael T. Kennedy, System Vice-President

By: \_\_\_\_\_

James Lewis, National Representative

**APPENDIX "A"**

**GROUP INSURANCE PLAN**

(INCORPORATED IN THIS CONTRACT BY REFERENCE)

**APPENDIX "B"**

**PENSION PLAN**

(INCORPORATED IN THIS CONTRACT BY REFERENCE)



## APPENDIX "C"

### SECTION 1. OUTSIDE COMMERCIAL EMPLOYEES.

Regular employees engaged in reading, repairing, testing, removing and resetting meters; discontinuing and restoring service to consumers' premises; collection of delinquent accounts; and driving automobiles or trucks incidental thereto, shall be paid the following rates:

POSITION	REGULAR HOURLY PAY			
	12/08/12	11/18/ 13	11/18/ 14	11/18/ 15
General Serviceperson	\$ 27.98	\$ 28.63	\$ 29.28	\$ 29.93
Distribution System Serviceperson	\$ 27.98	\$ 28.63	\$ 29.28	\$ 29.93
Meter Repairperson	\$ 27.88	\$ 28.53	\$ 29.18	\$ 29.83
Meter Reader	\$ 27.85	\$ 28.50	\$ 29.15	\$ 29.80

Upon ratification of the contract, employees who are currently in the General Service Person classification may elect to move to the Distribution System Service Person classification. Although some duties may overlap, the company agrees that the duties of the Distribution System Service Person classification will not be eliminated from any other classifications where they are currently being performed.

The above regular hourly rates of pay will apply in all districts.

The normal work week for all employees performing the classes of work specified in this Section shall be forty (40) hours composed of five (5) eight hour days, Monday through Friday, Tuesday through Saturday or Wednesday through Sunday. Effective November 22, 2004, working hours shall be 7:30 AM to 4:00 PM in all districts, except for office and production employees.

All time spent by meter readers repairing meters shall be paid for at the meter repairperson rate.

In addition to the regular hourly rate of pay, any person occupying a position on the afternoon shift shall receive \$0.20 (twenty cents) per hour shift differential and any person occupying a position on the night shift shall receive \$0.35 (thirty-five cents) per hour shift differential. This shift differential shall be applicable to when an employee is working on normal scheduled straight time hours only.

Water sample collection work currently done by Bargaining Unit members shall continue to be Bargaining Unit work. However, the collection of water samples by Bargaining Unit employees throughout the distribution system can be assigned to any employee in any classification in this section at the employee's normal rate of pay. With respect to the Washington/Valley and Lawrence Districts only, however, any incumbent employee on November 18, 1994, whose job interest bid sheet contains a specific reference to water sample collection as a job duty, shall continue to collect water samples as part of his or her job duties

until said incumbent employee vacates that job. Thereafter, the Company can assign the collection of water samples formerly done by that incumbent employee to any employee in any classification at the employee's normal rate of pay.

Any individual working in the Field Service Representative classification (General Service Person, Distribution System Service Person) listed in this Section 1 who possesses a valid Class E Distribution license shall be paid a premium of \$0.25 per hour.

**SECTION 2. DISTRIBUTION EMPLOYEES**

All employees employed in the Distribution System shall be paid at the following rates:

POSITION	REGULAR HOURLY PAY			
	12/08/12	11/18/ 13	11/18/ 14	11/18/ 15
Backhoe Operator	\$ 28.12	\$ 28.77	\$ 29.42	\$ 30.07
Subforeperson	\$ 28.10	\$ 28.75	\$ 29.40	\$ 30.05
Compressor Operator*	\$ 27.99	\$ 28.64	\$ 29.29	\$ 29.94
Utility Person (after 36 months)***	\$ 27.91	\$ 28.56	\$ 29.21	\$ 29.86
Utility Person (after 30 months)***	\$ 27.84	\$ 28.49	\$ 29.14	\$ 29.79
Utility Person (after 24 months)***	\$ 27.76	\$ 28.41	\$ 29.06	\$ 29.71
Utility Person (after 18 months)***	\$ 27.68	\$ 28.33	\$ 28.98	\$ 29.63
Utility Person (after 12 months)***	\$ 27.60	\$ 28.25	\$ 28.90	\$ 29.55
Utility Person (after 6 months)***	\$ 27.52	\$ 28.17	\$ 28.82	\$ 29.47
Utility Person (starting rate)	\$ 27.34	\$ 27.99	\$ 28.64	\$ 29.29
Distribution Systems Record Clerk**	\$ 27.59	\$ 28.24	\$ 28.89	\$ 29.54

The above regular hourly rates of pay will apply in all districts.

\* As of November 18, 2004, the Compressor Operator classification shall be eliminated, and the incumbents as of that date shall be reclassified as Utility Persons, with credit for time spent as Utility Persons and Compressor Operators. They shall continue to receive the Compressor Operator rate after November, 18, 2004, but as they vacate the Utility classification, they shall cease to receive the Compressor Operator rate of pay.

\*\* This job was moved from the former Mon Valley District Office and Clerical Dept. to Distribution Dept. during the 1977 Contract negotiations. This classification will not share in the Valley District Distribution Dept. overtime nor shall it be considered in the Valley District Distribution Dept. Labor Pool.

\*\*\* These rates and progressions shall also apply interchangeably to the Utility Person/Leak Detection position.

The Company will post an availability list or temporary bid sheet in the Distribution Department to cover replacements for all vacancies occurring in the Distribution, Production and Outside Commercial Departments including vacations, sicknesses, jury and funeral leave, etc., once a year, each January, and interested Distribution employees will have the opportunity to sign for the replacement positions.

Replacements for vacancies shall be selected in the various districts according to the practices presently followed on a district by district basis. There shall be no limit in any district on the number of individuals who may sign any availability list. Nothing herein contained shall be construed to alter any current practice or usage concerning the training, selection or upgrading of individuals who sign any availability list.

This posting or listing will indicate the appropriate rate of pay, days of work and other conditions of employment. In the event there are no signers from the Distribution Department for a specific replacement position, the Company shall select the junior qualified employee or employees on the daylight shift from the Distribution Department to fill said vacancies.

A person bidding or bumping into the Distribution Department as a Utility Person shall be given credit for any prior service in the Distribution Department in determining rate of pay in the existing progression chart.

The normal work week for all employees performing the classes of work specified in this Section shall be forty (40) hours composed of five (5) eight hour days, Monday through Friday, Tuesday through Saturday or Wednesday through Sunday. . Effective November 22, 2004, working hours shall be 7:30 AM to 4:00 PM in all districts, except for office and production employees.

The Company agrees that when and if work is available, it will use regular employees covered by this Section up to forty (40) hours per week and will not attempt to reduce the work week below forty (40) hours.

Whenever it is necessary to inspect pipeline construction or installation, pipeline inspectors will be selected from the most senior qualified Utility Person.

If the Company decides to use employees covered by this contract to do welding work, the rate to be paid for such work shall be as mutually agreed by and between the Company and the Union. The term "welding" shall not include brazing.

In addition to the regular hourly rate of pay, any person occupying a position on the afternoon shift shall receive \$0.20 (twenty cents) per hour shift differential and any person occupying a position on the night shift shall receive \$0.35 (thirty-five cents) per hour shift differential. This shift differential shall be applicable to when an employee is working on normal scheduled straight time hours only.

Water sample collection work currently done by Bargaining Unit members shall continue to be Bargaining Unit work. However, the collection of water samples by Bargaining Unit employees throughout the distribution system can be assigned to any employee in any classification in this section at the employee's normal rate of pay. With respect to the Washington/Valley and Lawrence Districts only, however, any incumbent employee on November 18, 1994, whose job interest bid sheet contains a specific reference to water sample collection as a job duty, shall continue to collect water samples as part of his or her job duties until said incumbent employee vacates that job. Thereafter, the Company can assign the collection of water samples formerly done by that incumbent employee to any employee in any classification at the employee's normal rate of pay.

Any individual working in any of the classifications listed in this Section 2 who possesses a valid Class E Distribution license shall be paid a premium of \$0.25 per hour.

### **SECTION 3. PRODUCTION EMPLOYEES**

Regular employees engaged in the operation and maintenance of the pumping, filtration and softening plants shall be paid the following regular hourly rates:

POSITION ROTATING SHIFT EMPLOYEES	REGULAR HOURLY PAY			
	12/08/12	11/18/ 13	11/18/ 14	11/18/ 15
Operator or Relief Operator ***	\$ 28.15	\$ 28.80	\$ 29.45	\$ 30.10
Operator/Maintenance Person	\$ 28.15	\$ 28.80	\$ 29.45	\$ 30.10
Assistant Operator	\$ 27.94	\$ 28.59	\$ 29.24	\$ 29.89
Maintenance Person	\$ 28.06	\$ 28.71	\$ 29.36	\$ 30.01
Helper or Relief person ****	\$ 27.85	\$ 28.50	\$ 29.15	\$ 29.80

POSITION NON-ROTATING SHIFT EMPLOYEES	REGULAR HOURLY PAY			
	12/08/12	11/18/ 13	11/18/ 14	11/18/ 15
Assistant Maintenance Person ****	\$ 27.85	\$ 28.50	\$ 29.15	\$ 29.80
Operator ***	\$ 28.15	\$ 28.80	\$ 29.45	\$ 30.10
Maintenance Person	\$ 28.06	\$ 28.71	\$ 29.36	\$ 30.01
Operator/Maintenance Person *	\$ 28.15	\$ 28.80	\$ 29.45	\$ 30.10

The above regular hourly rates of pay will apply in all districts.

- \* In each District which has a Relief Operator, but which does not have an employee classified as an Operator, there shall be established an Operator/Maintenance classification, to which the Relief Operator shall be appointed.
- \*\*\* Employees possessing the applicable DEP Drinking Water certification will be paid an additional fifty cents (\$. 50) per hour when working in the Operator classification.

In addition to the regular hourly rate of pay, all persons occupying positions designated as Rotating Shift Employee in Section 3 shall receive the following shift differential:

Afternoon shift	-	20 cents per hour
Night shift		35 cents per hour

The average normal working week for regular employees engaged in the classes of work covered by this Section shall be forty-two (42) hours. They shall work three (3) successive weeks of five (5) eight hour days, and one (1) week of six (6) eight hour days, at all districts except Indiana, Kane and Kittanning, and except in those districts where either by express agreement between the parties or by past practice in existence as of October 30, 1985, an average forty-two (42) hour weekly schedule of other than three (3) successive weeks of five (5) eight hour days and one (1) week of six (6) eight hour days exists, in which latter cases they shall work the schedule in existence by virtue of the express agreement or past practice.

\*\*\*\* Employees obtaining these classifications after March 10, 1989, and employees who do not have one year in classification as of this date will receive a five (5) cent adjustment after the first year in classification and a five (5) cent adjustment after the second year in classification. All employees in these classifications prior to March 10, 1989, and having at least one year in classification will receive a five (5) cent adjustment on March 11, 1989 and a five (5) cent adjustment on March 11, 1990.

Kane and Kittanning Districts The normal working week for regular employees engaged in the classes of work covered by this Section shall be forty (40) hours comprised of five (5) eight hour days.

Indiana District

The average normal working week for regular employees engaged in the classification of Operator, shall be forty-two (42) hours. They shall work three (3) successive weeks of five (5) eight hour days and one (1) week of six (6) eight hour days.

The normal working week for regular employees engaged in the classifications of Maintenance Person, shall be forty (40) hours composed of five (5) eight hour days.

In all districts, the starting time for the Maintenance Person, Assistant Maintenance Person and Helper or Relief person shall be the same as that of the first shift operator. If an individual from a non-production job classification is assigned temporarily to do maintenance work, he shall follow the maintenance person's schedule, he shall be paid the appropriate production department rate, and if the assignment requires him to start the day's work at a time earlier than is usual for his non-production job such that the earlier starting time would ordinarily require overtime payment pursuant to Section 14. I. A. (5)(a), no overtime pay shall be due for the hours worked between the actual starting time on the maintenance job and the usual starting time of his non-production job. Maintenance men shall work a daily schedule of eight and one-half (8½) hours which shall include one-half (½) hour off for lunch without pay.

Water sample collection work currently done by Bargaining Unit members shall continue to be Bargaining Unit work. However, the collection of water samples by Bargaining Unit employees throughout the distribution system can be assigned to any employee in any classification in this section at the employee's normal rate of pay. With respect to the Washington/Valley and Lawrence Districts only, however, any incumbent employee on November 18, 1994, whose job interest bid sheet contains a specific reference to water sample collection as a job duty, shall continue to collect water samples as part of his or her job duties until said incumbent employee vacates that job. Thereafter, the Company can assign the collection of water samples formerly done by that incumbent employee to any employee in any classification at the employee's normal rate of pay.

**SECTION 4. OFFICE AND CLERICAL EMPLOYEES**

All office and clerical employees, except those employed in the Lawrence and Washington/Valley Districts shall be paid at the following regular hourly rates:

POSITION	REGULAR HOURLY PAY			
	12/08/12	11/18/ 13	11/18/ 14	11/18/ 15
ROTATING SHIFT EMPLOYEES				
Senior Clerk	\$ 27.12	\$ 27.77	\$ 28.42	\$ 29.07
Junior Clerk	\$ 26.91	\$ 27.56	\$ 28.21	\$ 28.86
Teller	\$ 26.31	\$ 26.96	\$ 27.61	\$ 28.26

All office and clerical employees in the Lawrence and Washington/Valley Districts shall be paid at the following rates:

POSITION	REGULAR HOURLY PAY – 12/08/12				
	STARTING RATE	AFTER 6 MOS. IN GRADE	AFTER 12 MOS. IN GRADE	AFTER 18 MOS. IN GRADE	AFTER 24 MOS. IN GRADE
<u>GRADE I</u>					
Mail Teller Teller	\$ 25.99	\$ 26.07	\$ 26.15	\$ 26.23	\$ 26.31
<u>GRADE II</u>					
Assistant Cashier Telephone Operator Customer Inquiry Clerk Water Meter Clerk Clerk Typist	\$ 26.41	\$ 26.48	\$ 26.55	\$ 26.62	\$ 26.69
<u>GRADE III</u>					
Utility Clerk Materials & Supplies Clerk Distribution Clerk	\$ 26.74	\$ 26.82	\$ 26.90	\$ 26.98	\$ 27.06
<u>GRADE IV</u>					
Payroll Clerk Senior Material & Supplies Clerk	\$ 27.16	\$ 27.25	\$ 27.34	\$ 27.43	\$ 27.52

POSITION	REGULAR HOURLY PAY – 11/18/13				
	STARTING RATE	AFTER 6 MOS. IN GRADE	AFTER 12 MOS. IN GRADE	AFTER 18 MOS. IN GRADE	AFTER 24 MOS. IN GRADE
GRADE I	\$ 26.64	\$ 26.72	\$ 26.80	\$ 26.88	\$ 26.96
GRADE II	\$ 27.06	\$ 27.13	\$ 27.20	\$ 27.27	\$ 27.34
GRADE III	\$ 27.39	\$ 27.47	\$ 27.55	\$ 27.63	\$ 27.71
GRADE IV	\$ 27.81	\$ 27.90	\$ 27.99	\$ 28.08	\$ 28.17

POSITION	REGULAR HOURLY PAY – 11/18/14				
	STARTING RATE	AFTER 6 MOS. IN GRADE	AFTER 12 MOS. IN GRADE	AFTER 18 MOS. IN GRADE	AFTER 24 MOS. IN GRADE
GRADE I	\$ 27.29	\$ 27.37	\$ 27.45	\$ 27.53	\$ 27.61
GRADE II	\$ 27.71	\$ 27.78	\$ 27.85	\$ 27.92	\$ 27.99
GRADE III	\$ 28.04	\$ 28.12	\$ 28.20	\$ 28.28	\$ 28.36
GRADE IV	\$ 28.46	\$ 28.55	\$ 28.64	\$ 28.73	\$ 28.82

POSITION	REGULAR HOURLY PAY – 11/18/15				
	STARTING RATE	AFTER 6 MOS. IN GRADE	AFTER 12 MOS. IN GRADE	AFTER 18 MOS. IN GRADE	AFTER 24 MOS. IN GRADE
GRADE I	\$ 27.94	\$ 28.02	\$ 28.10	\$ 28.18	\$ 28.26
GRADE II	\$ 28.36	\$ 28.43	\$ 28.50	\$ 28.57	\$ 28.64
GRADE III	\$ 28.69	\$ 28.77	\$ 28.85	\$ 28.93	\$ 29.01
GRADE IV	\$ 29.11	\$ 29.20	\$ 29.29	\$ 29.38	\$ 29.47

The normal work week for all employees performing the classes of work specified in Section 4 shall be forty (40) hours composed of: (a) five (5) eight (8) hour days, Monday through Friday, Tuesday through Saturday, or Wednesday through Sunday, inclusive; or (b) three ten hour days Monday through Wednesday and one ten (10) hour day on Saturday.

In addition to the regular hourly rate of pay, any person occupying a position on the afternoon shift shall receive \$0.20 (twenty cents) per hour shift differential and any person occupying a position on the night shift shall receive \$0.35 (thirty-five cents) per hour shift differential. This shift differential shall be applicable to when an employee is working on normal scheduled straight time hours only.

## **SECTION 5. PROGRESSION**

All persons hired on or after November 18, 1985 but before March 10, 1989 shall, for the first three years of active employment, be paid \$3.75 per hour less than the rate set forth for the position. Thereafter, said employee shall be paid the rate set forth for the position. However, as to any employee in the Company's employ on or before November 17, 1985, no such employee shall be subject to this proviso in case of layoff or other cessation of employment unless the employee is re-employed after having lost seniority under this agreement. If any employee hired on or after November 18, 1985 but before March 10, 1989 suffers layoff or any other cessation of employment and is thereafter re-employed before having lost seniority under this agreement, such employee shall be subject to this proviso after such re-employment only for such time as, when added to the time such employee spent in active employment with the Company between the date of hire and the date of layoff or other cessation of employment, is required to aggregate three years of active employment.

All persons hired on or after March 10, 1989 shall, for the first three years of active employment, be paid \$4.25 per hour less than the rate set forth for the position. Thereafter, said employee shall be paid the rate set forth for the position. However, as to any employee in the Company's employ on or before March 10, 1989, no such employee shall be subject to this proviso in case of layoff or other cessation of employment unless the employee is re-employed after having lost seniority under this agreement. If any employee hired on or after March 10, 1989 suffers layoff or any other cessation of employment and is thereafter re-employed before having lost seniority under this agreement, such employee shall be subject to this proviso after such re-employment only for such time as, when added to the time such employee spent in active employment with the Company between the date of hire and the date of layoff or other cessation of employment, is required to aggregate three years of active employment.

All persons hired on or after November 18, 1994, shall, for the first three years of active employment, be paid \$6.00 per hour less than the rate set forth for the position. During the fourth year of active employment, the employee shall be paid \$5.00 per hour less than the rate set forth for the position. During the fifth year of active employment, the employee shall be paid \$4.00 per hour less than the rate set forth for the position. During the sixth, seventh and eighth years of active employment, the employee shall be paid \$3.00 per hour less than the rate set forth for the position. Thereafter, said employee shall be paid the rate set forth for the position. However, as to any employee in the Company's employ on or before November 18, 1994, no such employee shall be subject to this proviso in case of layoff or other cessation of employment unless the employee is re-employed after having lost seniority under this agreement. If any employee hired on or after November 18, 1994, suffers layoff or any other cessation of employment and is thereafter re-employed before having lost seniority under this agreement, such employee shall be subject to this proviso after such re-employment only for such time as, when added to the time such employee spent in active employment with the Company between the date of hire and the date of layoff or other cessation of employment, is required to aggregate eight years of active employment.



## APPENDIX "D"

### WORKER'S COMPENSATION PAY SELECTION

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.