

## **ATTACHMENT PSC 1-24**

# **AGREEMENT**

**BETWEEN**

**SHELBY ENERGY COOPERATIVE, INC.**

**AND**

**INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL  
UNION 2100**

**EFFECTIVE DATES: September 1, 2024, through October 31, 2029**

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## AGREEMENT

THIS AGREEMENT, made and entered into as of this 15th day of August 2024, by and between SHELBY ENERGY COOPERATIVE, INC. (hereinafter referred to as the "Cooperative"), and INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL UNION 2100 (hereinafter referred to as the "Union").

### ARTICLE 1 - PREAMBLE

#### Statement of Principles and Union Responsibilities

The Union recognizes the responsibilities imposed on it as the bargaining agent for the employees covered by this Agreement and realizes that in order to provide maximum opportunities for continuing employment, good working conditions and good wages, the Cooperative must be in a strong marketing position, which means that it must provide quality services to its customers at the lowest possible costs and otherwise be able to operate its business efficiently, economically and competitively. The Union assumes its full responsibility in the attainment of these goals. The Union therefore agrees that it will cooperate with the Cooperative and support its efforts to assure a full day's work on the part of employees and require employees to recognize and abide by the rules and regulations, board policies and operating procedures established by the Cooperative. The Union will actively work to avoid absenteeism and any other practices which hurt or interfere with production and the efficient operation, and management of the Cooperative in its efforts to operate and manage the business covered by this Agreement as efficiently and economically as possible, improve services and products, preserve equipment, prevent accidents, and strengthen good will between the Cooperative and its employees, as well as with its suppliers and customers. The Union further recognizes that the Cooperative has certain definite and stringent obligations and responsibilities to its customers and suppliers and the Union agrees that it will fully cooperate with the Cooperative in the performance and discharge of these obligations and responsibilities. The Cooperative recognizes its responsibilities to the Union and employees and herein pledges to cooperate with the Union and strive toward a harmonious relationship between labor and management of the Cooperative.

### ARTICLE 2 – RECOGNITION

The Cooperative recognizes the Union as the exclusive bargaining representative for all full-time and regular part-time employees employed by the Cooperative at its Shelbyville, Kentucky, facility, including the Crew Leaders, Lead Line Technicians, Line Technicians, Apprentice Line Technicians, Material Technician/Warehouse employees, but excluding all other employees, confidential employees, clerical employees, managers, guards, and supervisors as defined by the National Labor Relations Act, as amended. It is the intention of the parties hereto that the bargaining unit covered by this Agreement shall be as established by the National Labor Relations Board in its "Certification of Representative" in Case No. 9-RC-18225, and this Article is included herein solely for the purpose of discharging the Cooperative's obligation under the law to recognize the Union.

### ARTICLE 3 - MANAGEMENT PREROGATIVES

The operation, control, and management of the Cooperative's facilities and operations, and all business and activities of the Cooperative in connection therewith which are covered or affected by this Agreement, and the supervision and direction of the working forces at such facilities, operations, and business are and shall continue to be solely and exclusively the functions and prerogatives of the management of the Cooperative. All of the rights, functions, and prerogatives of management which the Cooperative had prior to entering into this Agreement with the Union are reserved and retained exclusively to the Cooperative and shall not be questioned by the Union or any employee covered by this Agreement at any time or in any manner. In no event shall any right, function or prerogative of the Cooperative ever be deemed or construed to have been modified, diminished, or impaired by any past practice or course of conduct, or otherwise, then by an explicit provision of this Agreement. Specifically, but without limiting or affecting the generality of the foregoing, it is distinctly understood and agreed that this Agreement does not affect and shall not be deemed or construed to impair or limit in anyway the Cooperative's right in its sole discretion and judgment, to determine the nature and extent of the business to be carried on by the Cooperative; determine the suppliers and customers with whom it will deal, and the prices at which and terms upon which its materials, equipment and supplies will be purchased, leased, or otherwise acquired and its services and products will be sold; determine the size and composition of the working force covered by this Agreement, and assignment of work, and policies affecting the selection of employees; establish and enforce quality, production, construction, and service standards for its employees, services and products; establish new departments; discontinue existing departments; introduce new and improved equipment, facilities and service methods; establish and change production and work performance standards; change, combine, establish, or discontinue jobs or operations, set wage rates for such jobs or operations, and determine when and if vacancies in the working force shall be filled; determine the means and methods by which production and services will be made; determine the hours of operation; subcontract or procure from others any work of the business as the Cooperative may from time-to-time deem advisable or necessary, whenever and as often as, and to such extent as the Cooperative may deem necessary and advisable; and discontinue temporarily or permanently, in whole or in part, any operations of the business of the Cooperative covered or affected by this Agreement. The Cooperative shall also have the right from time-to-time to make and enforce such reasonable rules applicable to employees covered by this Agreement, including rules concerning health and safety, alcohol and substance abuse, and to enforce, change, abolish, or modify existing rules applicable to employees covered by this Agreement, as it may from time-to-time deem necessary or advisable, except as specifically limited herein.

### ARTICLE 4 – SUBCONTRACTING

It is understood by the Cooperative and the Union that, for the Cooperative to satisfy the demands of its customers and to successfully operate the business, contracting and/or subcontracting of work is necessary from time to time. It is therefore agreed by the Union that the Cooperative may, within its exclusive discretion, engage contractors for all construction, delivery, service and operations functions, and any and all other functions which it, in its exclusive discretion, deems necessary or desirable, with the exception that the Cooperative will not use this subcontracting clause to subcontract work while any employee who is fully qualified and capable of performing such work has any recall right, except in the case of an emergency. Subcontracting

of work will not cause the direct layoff of bargaining unit employees. The exception in the preceding sentence shall not prohibit the Cooperative from subcontracting work to be performed by an employee recalled from layoff pending the employee's return to work from recall. Finally, neither this subcontracting provision nor any other provision of this Agreement shall limit, restrict, or prohibit the Cooperative from subcontracting or continuing to subcontract any work the Cooperative subcontracted prior to the execution of this Agreement.

## ARTICLE 5 - DISCIPLINE AND DISCHARGE

### SECTION 1.

The Cooperative shall have the right to discipline and discharge employees during their probationary period without cause and without recourse by the Union or by such probationary employee to the grievance procedure of this Agreement.

### SECTION 2.

Discipline and discharge of employees will be at the sole discretion of the Cooperative. However, such discipline and discharge will only be administered for just cause (which shall include the "Rules of Conduct" adopted and implemented in accordance with Article 3 of this Agreement.)

### SECTION 3.

It is agreed that in the event an employee is given any disciplinary action, including a warning notice, one (1) copy of the warning notice will be given to the employee, one (1) copy will be sent to the Union Office and one (1) copy will be retained in the employee's personnel file. A warning notice or notices for any cause may constitute a basis for discharge for any subsequent infraction and it is understood and recognized by the parties hereto that certain infractions, including those specified in Section 2 of this Article, may, at the Cooperative's sole discretion, result in immediate discharge without warning. It is further understood and recognized that in any event the Cooperative may, in its sole discretion, discharge an employee who receives three (3) warning notices for any cause or combination of causes in a rolling twelve (12) month period.

### SECTION 4.

Apprentice Employees: For the purposes of the Agreement, an apprentice may be terminated, without recourse, for the following reasons:

- 1) The employee fails to complete the Apprentice Lineman training and obtain the job classification of a qualified Journeyman Lineman (Line Technician) within the designated time as determined by the Cooperative; or
- 2) the Safety Committee informs the CEO that the employee is unable or unwilling to carry out the field portion of their duties in an acceptable manner. Any Apprentice Line Technician serving on the Safety Committee will not participate in any review process.

## ARTICLE 6 - VOLUNTARY UNION MEMBERSHIP AND CHECKOFF

### SECTION 1.

All present and future employees of the Company covered by this Agreement on the date of execution of this Agreement shall have the right to remain, but shall not be required to remain, members of the Union. All employees covered by this Agreement who are hired after the date of execution of the Agreement shall have the right to become but shall not be required to become members of the Union.

The parties agree that if, during the term of this Agreement, KRS 336.130(3) (“Kentucky Right to Work Act”) is repealed, in its entirety, by the Commonwealth of Kentucky, if a new public act invalidates KRS 336.130(3), if it becomes unenforceable in any way, or if the language contained in the agreement expiring September 1, 2018, becomes lawful for any other reason, the language of the agreement expiring September 1, 2018, shall replace the current language without need for any bargaining.

### SECTION 2.

Thirty-one (31) days after the effective date of this Agreement, the Union shall furnish to the Cooperative a true and correct list of those employees covered by this Agreement who are members of the Union.

### SECTION 3. Checkoff

The Cooperative agrees to deduct each month, from the paychecks of all employees who are covered by this Agreement, all periodic dues and initiation fees owing to the Union by the employees, provided, however, that such employees shall have voluntarily signed and submitted a written authorization which shall conform to and be in accordance with all applicable Federal and State laws.

All monies deducted by the Cooperative shall be forwarded to the Business Manager/Financial Secretary of the Union.

It is understood and agreed that any monies collected by the Cooperative for the Union will be taken out of the paycheck for the first pay period of the month and remitted to the Union before the 30<sup>th</sup> day of the same month.

The Cooperative will recognize authorizations for deductions from wages, if in compliance with State and Federal law, to be transmitted to the Union. No such authorization shall be recognized if in violation of State or Federal law. No deduction shall be made which is prohibited by applicable law. This provision is subject to whatever shop rule is promulgated by the Cooperative with respect to garnishments or other wage deductions.

### SECTION 4.

If for any reason an employee does not work during the first pay period of any month in which the checkoff is made, the Cooperative shall make deductions for the above purpose from such employee’s wages out of the next succeeding pay period in which he works.

## SECTION 5.

It is understood and agreed that the Cooperative shall not be obligated or required to discharge an employee for failure to make payments.

## SECTION 6.

In consideration of the adoption by the Cooperative of the Union Security and Voluntary Checkoff provisions, the Union agrees to indemnify and hold the Cooperative harmless from and against any and all liability, loss, cost, damage, of every kind suffered, incurred or imposed upon the Cooperative because of any claim, demand, action, unfair labor practice charge, or any other legal or administrative proceedings, including attorney's fees and court costs, because any employee is discharged or other action taken, as a result of the provisions of this Article.

## ARTICLE 7 - NO STRIKE-NO LOCKOUT

The Union and employees agree that during the term of this Agreement neither the Union, its officers, agents or members shall authorize, instigate, aid, condone or engage in any work stoppage, strike of any kind or description, including so-called sympathy strikes, or otherwise interrupt, impede or restrict services of the Cooperative or engage in any activity which would tend to cause an interruption or delay in the accomplishment of the work and business of the Cooperative.

The Union and employees further agree that during the term of this Agreement the Union, its officers, agents or members will not honor or recognize any picket line or picketing in any form, including recognition of picket lines or picketing out of so-called sympathy, by any Union at the Cooperative, or any facility or operation of the Cooperative, regardless of where it is located. Any employee who engages in any conduct prohibited by this Section, or who fails or refuses to comply with any provision of this Section, shall be subject to appropriate discipline, including discharge by the Cooperative. Further, the Cooperative shall be under no obligation to bargain with the Union concerning employees who are on strike or concerning the subject of any strike so long as the strike continues.

The Cooperative shall not lock out members of the Union during the term of this Agreement.

Nothing in the Article will require an employee to endanger Cooperative equipment, property or the employee's personal safety, however, if an employee believes the Cooperative's equipment, property or their personal safety are threatened, they must notify the Cooperative and the local law enforcement officials immediately. Failure to give such notices will be conclusively presumed to prove that no such threat existed, and the employee will be disciplined or discharged as set out above, with no recourse.

## ARTICLE 8 - PROBATIONARY EMPLOYEES

All new or rehired employees shall be placed on probation and shall be classified as temporary help during the first one hundred twenty (120) actual working days actually worked of their employment with the Cooperative. During such period the Cooperative may discharge or otherwise discipline, layoff, transfer, or assign such employees with or without cause, and such actions shall not be subject to the grievance procedure.



If the new or rehired employee will be participating in the apprenticeship program, they shall start their Training Books and the Apprenticeship Program no later than 120 days from their hire date. Probationary employees who complete their probationary period will be classed as regular employees and their date of hire shall be from the first day of hiring.

## ARTICLE 9 - HOURS OF WORK AND OVERTIME

### SECTION 1.

A full-time employee's regular work week shall be forty (40) hours, Monday through Friday, 7:00 a.m. to 3:30 p.m. subject to change by the Cooperative when, as determined at the sole discretion of the Cooperative, requirements dictate but after notice to the Union but shall not be less than eight (8) hours, excluding a maximum thirty (30) minute lunch break. The lunch break includes travel to the place where lunch is purchased and travel to return to the work site. In addition, employees shall receive two (2) fifteen (15) minute breaks during a full eight (8) hour shift. The Cooperative retains the sole discretion to determine when any employee(s) shall take his breaks. Employees may be required to leave work prior to the end of their shift in the case of strikes or other work stoppages, disciplinary suspension of an employee, acts of God. In such event, the employee shall only be compensated for the hours they were initially scheduled to work.

### SECTION 2.

Overtime shall be paid for all hours actually worked in excess of eight (8) in a work day or forty (40) hours in any one (1) work week at the rate of one and one-half (1½) times the employee's regular straight-time hourly rate (only paid holidays, jury duty, bereavement leave, sick leave, and vacation days shall count as time worked for the purposes of over-time pay). Overtime under this Section shall be computed on a weekly (Sunday through Sunday) basis. There shall be no pyramiding of overtime or any premiums.

Employees shall be paid at the rate of one and one-half (1½) times their regular straight-time hourly rate for all hours worked on Saturday, so long as the employee has previously actually worked a minimum of forty (40) hours during such week, except as set out above.

Employees will be paid at the rate of one and one-half (1 ½) times their regular straight- time hourly rate for all hours actually worked when performing work for other electric utilities. Employees will be paid at the rate of two (2) times their regular straight-time hourly rate for all hours worked in excess of sixteen (16) consecutive hours in a workday and for work performed on Sunday.

### SECTION 3.

If an outage occurs that in the opinion of management is considered a major outage situation or has been declared as such by either a County or State official, and in which the Cooperative requests and receives mutual aid to assist with the restoration efforts, employees may be authorized by management to work up to a maximum of twenty-four (24) hours straight from their first call-out. At no time will employees work beyond sixteen (16) hours without prior authorization by management.

All employees will then be given a minimum rest period of at least eight (8) hours. If said rest period falls within the normal workday, (Monday-Friday, 7:00 a.m. to 3:30 p.m.), the employees will be paid at their regular straight-time pay rate.

After the initial twenty-four (24) hour work period, employees will be put on a schedule of sixteen (16) hours worked followed by eight (8) hours of rest. Employees returning from the initial rest period will start one and one-half (1 ½) times their regular straight time pay rate for the duration of the major outage: or such emergency as declared above.

The Cooperative has the right to start employees on rest time after the initial sixteen (16) hours of work but prior to completing twenty- four (24) hours of work and may extend the initial rest period beyond eight (8) hours to ensure that employees are rested and available throughout the duration of the outage. Employees have the right to request, and will be granted, rest time prior to working twenty-four (24) hours. At no time will employees work beyond sixteen (16) hours without prior approval by management. Upon final release of the major outage or such emergency as declared above, each employee shall earn a ten (10) hour rest period commencing at the conclusion of their last hour of work. Should the employee be called out or scheduled to work non-outage related work prior to the conclusion of the ten (10) hour rest period then the employee shall be paid at double the applicable straight time pay rate until said ten (10) hour rest period has been satisfied.

## ARTICLE 10 - DUTY AND CALL-OUT PAY

### SECTION 1.

The daily call-out rotation will consist of two (2) employees and will be posted yearly. These two (2) employees will be available and will be called on every call-out. If additional help is required, the employees on the overtime list will be called in order of ascending overtime hours (lowest first, etc.) until such time as the required help is obtained.

### SECTION 2.

Employees required to work between the hours of 12:00 a.m. and 5:00 a.m., Monday through Friday, shall be granted equal hours in rest time based on the hours actually worked within that time frame. Rest time is to be taken during normal work hours and at the end of the work day or as approved by management. If the employee is called to work at 5:00 a.m. or later, the employee shall not be granted rest time during their normal shift.

If an employee has a company vehicle and is assigned rest time at the beginning of the workday, the vehicle must be returned to the Cooperative prior to the beginning of that workday.

If an employee accumulates four (4) hours or more of rest time for any given day and wants to take additional time off to complete that workday, the employee can use available vacation leave or sick leave time. If an employee accumulates less than four (4) hours of rest time for any given day and wants to take additional time off to complete that workday, the employee can use available vacation leave.

Employees eligible for the rest period shall not be called out again until the completion of their rest period. Work shall be defined as actual time working, the two (2) hours for call-out time is not considered into the calculation of hours worked unless the full two (2) hours were actually worked.

### SECTION 3.

If an employee is paid for rest time during regular work hours and requests to use a portion of sick or vacation leave to complete the workday but fails to report on call-out when contacted afterwards, up to four (4) hours of the regular shift, the employee shall forfeit the sick leave or vacation and shall be charged unpaid leave unless planned sick leave or vacation is scheduled or the employee makes a doctor's visit and provides a written doctor's excuse to his/her supervisor when reporting to work the following workday.

### SECTION 4.

The over-time list will be updated at the end of each calendar month. Employees on the call-out roster shall receive one (1) hour of pay at time and one-half (1 ½) their regular rate of pay for actually serving call-out duty for each day served.

### SECTION 5.

The employee is responsible for covering their scheduled days of duty or may trade or give away duty. Prior notice to and written approval from management is required: Duty must be covered by at least one (1) Lineman and one (1) Apprentice, and two (2) Apprentices may not pull duty together.

### SECTION 6.

A substitute bargaining unit employee will be assigned by the Cooperative for on-call duty when the regularly scheduled employee is on sick leave. When the regularly scheduled employee with assigned duty is taking a vacation, that duty will be owned by the employee and must be worked unless the duty is reassigned by the employee based on the following:

- a) The duty may be traded or passed to another employee in accordance with other provisions of the current Collective Bargaining Agreement.
- b) The duty may be given to another qualified employee by utilizing the current month's low overtime list applicable to the date of vacation. Prior notice to and written approval from management is required.

### SECTION 7.

When an employee has completed his regularly scheduled workday, left the Cooperative's headquarters and in route to his home, but is called in to report to work more than two (2) hours prior to the beginning of his next regularly scheduled shift, he will be guaranteed two (2) hours work at his regular over-time hourly rate of pay. During this two (2) hour period the employee must respond to any re-callouts by the Cooperative. There will be no overlap of the two (2) hour minimum or overtime pay by any employee. If an employee has not left the Cooperative's headquarters, the time worked will be paid as regular overtime and not be classified as "call-out" duty. An employee shall not be required to remain longer than the time required to perform the emergency work existing during the period of such call-outs.

Any work assigned before the end of a regularly scheduled workday will be considered regular overtime and will not be subject to the minimum two (2) hour callout provision. If, however, the Cooperative determines the rotation system is not efficiently or effectively covering call-out sufficiently or maintaining a balance in the overtime hours, then the Cooperative shall have the

right to change from the rotation system.

#### SECTION 8.

Employees on vacation will be called using the then current overtime call out list. Such employees will not have vacation time charged for the hours worked during scheduled vacation.

#### SECTION 9.

- a) Employees shall be entitled to their first meal, and a subsequent meal every six (6) hours thereafter until released from duty, in the following situations:
  - 1) After having worked a normal eight (8) hour shift, exclusive of the lunch period, if any, and continues to work more than two (2) additional hours beyond their normal quitting time
  - 2) After three (3) hours from the time an employee reports to work for a call-out without prior notice
  - 3) After having worked more than ten (10) continuous hours, other than as described in (2) above, exclusive of the lunch period, if any.
- b) For the purposes of this Section, without prior notice is defined as the calling of an employee less than two (2) hours from the time he is to report to work.
- c) Employees shall sign, date, and present all itemized receipts from meals taken during working hours described in (a) above, to their supervisor no later than ten (10) consecutive business days from the transaction date on the receipt from the entitled meal.
- d) Provided the receipt is representative of what a reasonable person would consider a meal during working hours, management will approve the meal expenditure within two (2) business days and the employee shall be reimbursed for the full amount. The Cooperative agrees to reimburse the employee as soon as feasible but not more than five (5) consecutive business days after the date the receipt was approved by management.

### ARTICLE 11 - WORK ASSIGNMENTS

Notwithstanding any of the provisions of this Agreement, there shall be no limitation or restriction upon the nature, extent and kind of work which employees who are not covered by this Agreement may perform, nor shall there be any limitation or restriction as to the times or occasions on which employees who are not covered by this Agreement may perform such work. Neither shall there be any limitation or restriction upon the nature, extent and kind of work which employees in the bargaining unit may be required to perform, nor shall there be any limitation or restriction as to the time or occasions on which bargaining unit employees shall be required to perform any work in a safe manner.

### ARTICLE 12 - GRIEVANCE PROCEDURE

#### SECTION 1.

A grievance, as referred to in this Agreement, is a dispute arising out of the interpretation or application of any one or more specific provisions of this Agreement. A written grievance must

designate the specific provision(s) alleged to have been violated. No grievance alleging general violation of the Agreement or Articles of the Agreement will be accepted or processed by the Cooperative. Such grievance will be void and not subject to further processing or appeal. Grievances shall be processed in accordance with the procedures set forth below.

STEP 1. The aggrieved employee shall present his grievance in writing to his immediate supervisor within four (4) days after the cause of such grievance becomes known or could reasonably be expected to have been known. If he so desires, the aggrieved employee may be accompanied by his Union Steward.

STEP 2. If the grievance is not settled in Step 1, it may be appealed by the employee within three (3) working days to the President and CEO (or designated representative in event of absence), who shall meet with the Union's Business Representative and the aggrieved employee. The President and CEO (or designated representative in event of absence) will give a written answer to the grievance within thirty (30) days of the initiation of Step 2 by the Union.

STEP 3. If the grievance is not satisfactorily settled in Step 2 and if the grievance is otherwise arbitrable under this Agreement, it may be referred to arbitration in strict accordance with the provisions of this Agreement pertaining to arbitration, provided that if the Union fails to notify the Cooperative in writing by Registered Mail within ten (10) days after the Cooperative gives its answer in writing to a grievance at Step 2 of the grievance procedure of the Union's desire to arbitrate the grievance, then the Union shall be conclusively presumed to have accepted the Cooperative's answer and said grievance shall not thereafter be arbitrable.

## SECTION 2.

The grievance procedure is subject to the following rules and conditions:

- a) A settlement satisfactory to the Union at any step in the grievance procedure shall be binding on it and the employee or employees making the complaint.
- b) Saturdays, Sundays, and holidays are excluded in computing the time limits specified in this Article.
- c) All meetings conducted pursuant to the provisions of Step 1 and Step 2 of this Article shall be conducted at times when the aggrieved employee and others, including the Steward, are not regularly scheduled to work or at a time mutually agreed to between the Cooperative and the Union. Neither party shall have more than a total of three (3) persons present, including the aggrieved employee, except, by mutual consent, the parties may agree to a greater number.
- d) Employees will not leave their work to investigate, present, or discuss grievances.
- e) This grievance procedure constitutes the sole and exclusive means of resolving controversies. Pending the raising, processing and/or settlement of a grievance, all employees will continue to work in a normal manner, and there shall be no slowdown, stoppage, or other interference with work or operations as discussed and set forth in the Article of this Agreement entitled "No Strike - No Lockout."
- f) Infrequently, due to the nature of the subject matter, the Cooperative or the Union may request that Step 1 of the grievance procedure be waived. In such cases Step 1 of the grievance procedure may be waived provided there is mutual agreement by the Cooperative and the Union to do so.

- g) Any time the Cooperative offers a settlement with regard to any grievance, there will be a Union Official present. "Union Official" shall mean the employee's Steward or the Union's Business Manager.
- h) Any grievance of any kind which has been presented under the grievance procedure set forth herein which is not appealed to the next step within the applicable time specified above and any grievance which has not been presented under the grievance procedure set forth herein within the time period for presentation of grievances shall be considered settled and shall not be subject to further discussion or appeal.

### SECTION 3.

The Cooperative shall not be required or obligated under the terms of this Agreement or otherwise to submit to the grievance procedure any claim or cause of action which it may have or assert on account of any alleged violation of this Agreement by the Union or any employee or employees covered by this Agreement.

### SECTION 4.

No grievance may be filed or considered which is based in whole or in part on an occurrence happening prior to the execution of or after the term of this Agreement. A grievance which is timely filed over an issue which occurred before the Agreement expired will be processed as though the Agreement were still in effect.

### SECTION 5.

The provisions of this Agreement covering grievance procedure and arbitration are completely unrelated to and independent of the provisions of the Article of this Agreement entitled "No Strike – No Lockout" clause. In the event the Cooperative claims that a grievance filed hereunder is not arbitrable, whether or not such claim be ultimately sustained, such claim shall not in any way affect or excuse the Union or any employee or employees covered by this Agreement from the provisions of the Article entitled "No Strike – No Lockout" and their respective obligations and duties thereunder.

### SECTION 6.

In the event any grievance which is otherwise arbitrable under the terms of this Agreement shall be arbitrated, selection of an arbitrator shall first be attempted by the Union and the Cooperative attempting to agree on an arbitrator, and, if they cannot agree upon a selection, the Federal Mediation and Conciliation Service shall be asked to furnish a panel consisting of at least seven (7) names of arbitrators. One person selected by the Union and one person selected by the Cooperative shall select a single arbitrator from the panel by alternately striking a name until such time as only one (1) name remains. The Cooperative and the Union will alternate in striking the first name from the list. The Cooperative will strike the first name in the first arbitration case and the Union will strike the first name in the second arbitration case, etc. The Cooperative and the Union shall each have the right to reject one (1) panel.

## SECTION 7.

No more than one grievance shall be submitted to any one arbitrator unless the Cooperative and the Union agree otherwise in writing. The Arbitrators selected shall have power to receive relevant testimony from the parties to the dispute and hear such witnesses as they may desire to present. The parties may, if they so desire, be represented by counsel in all proceedings held before the Arbitrator. The Cooperative shall bear the costs of preparing and presenting its case to the Arbitrator and the Union shall bear the costs of preparing and presenting its case to the Arbitrator. All other expenses of arbitration, such as, but not limited to the Arbitrator's fee, and the hiring of a space in which the arbitration proceedings are held, shall be divided equally between the Cooperative and the Union.

## SECTION 8.

The function of the Arbitrator shall be of a judicial, rather than a legislative, nature. The Arbitrator shall not have authority to add to, ignore or modify any of the terms or provisions of this Agreement. The Arbitrator shall not substitute his judgment for the Cooperative's judgment and where matters of judgment are involved he shall be limited to deciding whether or not the Cooperative acted arbitrarily, capriciously or in bad faith. The Arbitrator shall not decide issues which are not directly involved in the case submitted to him. In any discharge or disciplinary suspension case where the Arbitrator decides that the aggrieved employee should be awarded any back pay, the Cooperative shall be entitled to full credit on such awards for the employee's gross interim earnings, unemployment compensation benefits, worker's compensation benefits received or receivable and any other compensation he receives from any form of employment during the period he was not working for the Cooperative. Subject to the foregoing qualifications and limitations, the Arbitrator's award shall be final and binding upon the Cooperative, the Union and the aggrieved employee or employees.

## SECTION 9.

Only the Union shall have the right to prosecute grievances under this Agreement and only the Union shall have the right to take to arbitration any grievance which is otherwise arbitrable under this Agreement. If the Union fails, refuses or declines to prosecute a grievance on behalf of an employee, or on behalf of a group of employees hereunder, such employee or employees who filed such grievance or on whose behalf it has been filed shall be conclusively bound thereby and both the Union and the aggrieved employee or employees shall thereafter be prohibited from reviving or further prosecuting said grievance.

## ARTICLE 13 - PAY PERIOD

Shelby Energy employees will be paid every other Friday ("Pay Day") for regular hours, and any overtime hours, worked through 12:01 a.m. the Monday immediately prior to the Pay Day. When a Pay Day falls on a holiday, employees will be paid the day prior to the Pay Day. Should the day prior to the Pay Day also be a holiday, the employees will be paid on the Monday following the Pay Day.

## ARTICLE 14 - ASSIGNMENT OF OVERTIME

Overtime work shall be assigned to the employee(s) where the overtime exists. The duty crew and

those employees currently working overtime will be utilized to assist the duty crew. All other overtime assignments shall be determined by an established on-duty roster and/or overtime list with the understanding that during major outage or emergency situations, all Cooperative personnel, contractor employees or mutual-aid assistance from other cooperatives may be utilized to serve the members of the Cooperative. In order to assist management in equalizing overtime, the on-duty roster and current overtime list will be used for Scheduled Overtime and an Out-of-Town Overtime roster will be utilized for out of town work.

#### ARTICLE 15 - RATES FOR NEW JOB CLASSIFICATIONS

Recognizing that during the term of this Agreement the Cooperative may install new equipment or change work methods resulting in the creation of new job classifications, the Cooperative shall establish rates for such new classifications in line with the Cooperative's wage scale for like work and notify the Union's representative in writing. If after ten (10) days the Union does not question the rate established for the new classification, it shall become the established rate for the job.

#### ARTICLE 16 - INSPECTION PRIVILEGES

The Local Union Business Manager or designated representative of the Union, the name of whom shall be furnished to the Cooperative in writing, shall have access to the Cooperative's establishment during working hours for any legitimate purpose in connection with the administration of this Agreement, provided he notifies the President and CEO (or designated representative in event of absence) of the Cooperative beforehand and obtains permission. The Cooperative will not unreasonably withhold such permission. The Union hereby agrees that its agents and representatives will not cause any interruption of the Cooperative's working schedule or interfere with the work of employees or otherwise abuse these visitation privileges when on its premises. Union representatives will follow the procedures of other visitors to the Cooperative and sign in at the reception area and be accompanied by a management employee or other designated representative while on Cooperative property. In the event of a change of agents, the Cooperative will be immediately notified in writing.

#### ARTICLE 17 - SENIORITY

##### SECTION 1.

Seniority of employees covered by this Agreement shall be determined by the Cooperative on the basis of length of continuous service with the Cooperative from the last date of hire.

##### SECTION 2.

An employee's seniority, qualifications, ability, skill, work record, and adaptability to perform the work involved, as determined by the Cooperative, shall apply in the case of layoff, recall from layoff, and promotions. It is agreed that in the case of layoff no employee, regardless of his seniority, may displace any other employee unless he is at that time able to perform the work of the employee being displaced to the satisfaction of the Cooperative. An employee who displaces another employee pursuant to the provisions of this Section shall be paid at the hourly rate of pay for that job



classification as set forth in Appendix A. When the working force is being increased after a layoff, the Cooperative will apply the same standards as it originally applied for layoff when the employees are being recalled. The Union shall possess the right to grieve and/or take to arbitration the issue of whether the Cooperative has acted arbitrarily, capriciously, or in bad faith in its application of the above factors.

### SECTION 3.

When there is to be a reduction/layoff in the workforce, the Cooperative will notify the Union as to the classification(s) and number of employees to be affected. All probationary, seasonal, part-time, and casual employees shall be laid off before any employees who have established seniority are affected.

### SECTION 4.

The Cooperative will, when it determines it to be practicable, give employees one (1) week notice prior to layoff.

### SECTION 5.

Seniority, qualifications, ability, skill, work record, and adaptability to perform the work involved, as determined by the Cooperative, shall be the controlling factors in promotion of employees, and where in the Cooperative's exclusive judgment, these factors are equal between two (2) or more employees, seniority will control.

### SECTION 6.

All job vacancies in jobs which the Cooperative decides to fill will be posted for bid for at least ten (10) full working days. Until the Cooperative has selected an employee to regularly fill such job vacancy, the vacant job may be filled in any manner the Cooperative sees fit. The Cooperative will take final action with respect to all job openings within two (2) weeks after the posting is taken down. Employees shall be permitted to bid on jobs even if in a lower classification and shall accept the applicable pay scale and a successful job bidder shall not thereafter bid for any other posted job for six (6) months. If no employee in the unit who bids on the job is selected, using the criteria set out in this Sections 5 and 6, then the Cooperative may hire a new employee(s) from outside the work force. If the Cooperative creates more than one (1) reporting location, there will be no bidding within the Apprentice, Crew Leader, Lead Line Technician Line or Material/Warehouse classifications, unless the employee lives or commits to relocate within fifteen (15) miles of such location. Such relocation must occur within six (6) months of being awarded the job and, if not, the employee will be removed from that job.

The progression within the Line classifications will be as follows:

- Probation - Hire to 6 months
- Apprentice Level 1 - 6 months to 1 year and 6 months from start date
- Apprentice Level 2 - 1 year and 6 months to 2 years and 6 months from start date
- Apprentice Level 3 - 2 years and 6 months to 3 years and 6 months from start date
- Apprentice Level 4 - 3 years and 6 months to 4 years and 6 months from start date

- Line Technician
- Lead Line Technician
- Crew Leader

Promotion from level-to-level within the Apprentice classification and to Line Technician, Lead Line Technician and/or Crew Leader will be at the sole discretion of the Cooperative.

#### SECTION 7.

An employee shall lose his seniority and his status as an employee shall cease for any of the following reasons:

- a) If an employee quits or is discharged.
- b) If an employee is in layoff status for more than six (6) months.
- c) If an employee, after having been laid off, when notified of recall by the Cooperative by certified mail sent to the employee's last address appearing on the Cooperative's records, fails by the end of the seventh (7<sup>th</sup>) day following the day of receipt of such notification to notify the Cooperative of his/her acceptance and intent to return to work, or such employee fails to report for work on or before the beginning of the fourteenth (14<sup>th</sup>) calendar day following the day the employee received the Company's notification of recall. It shall be the employee's responsibility to keep the Cooperative informed of his/her current address.
- d) If an employee is absent from work for one (1) day without reporting to the supervisor before the regular workday begins, unless prevented from doing so because of being hospitalized or physically unable to do so. The burden of proving such circumstances existed is on the employee making the claim. Progressive discipline will be administered beginning with a (1) written warning; (2) a three (3) day suspension without pay, and (3) discharge. Discipline will be administered on a rolling twelve (12) month basis.
- e) If an employee has retired.

#### SECTION 8.

Seasonal, temporary, part-time and casual employees are excluded from the bargaining unit covered by this Agreement and are not entitled to any of the benefits and privileges provided for in this Agreement.

#### SECTION 9.

If, and when, employees in the bargaining unit covered by this Agreement are promoted or transferred to jobs outside the bargaining unit they will retain and accumulate seniority for a period of twelve (12) months, during which period such employees will have the right to return to a job in the bargaining unit, provided they have the seniority to do so, and a bargaining unit job is open and available. At the end of said twelve (12) month period, if the employee remains in the job outside of the bargaining unit, he will lose all seniority rights under this Agreement.

#### SECTION 10.

A seniority list shall be made up by the Cooperative within thirty (30) days after the date this Agreement becomes effective. A copy shall be furnished to the Business Manager, or his designee and a copy posted on the Union Bulletin Board. This list shall be open for correction for a period of thirty (30) days thereafter and if an employee does not make a protest in writing to the Cooperative, with a copy to the Union, within such thirty (30) day period after the posting of such

list, his seniority shall be brought up-to-date on January 31 of each year thereafter.

#### SECTION 11.

In the event a job vacancy is posted, in accordance with Section 6 of this Article, and no employees bid on the job and the Cooperative decides not to fill the vacancy by hiring a new employee from outside the work force, then the Cooperative may assign employees to the position on a permanent basis. Such assignment will be by seniority within the classification involved, with the least senior employee(s) being required to perform that job.

#### SECTION 12.

If it is necessary for an employee to perform work in a higher rated classification for a period of five (5) consecutive days or less, excluding holidays then the Cooperative will upgrade the willing qualified senior employee on the crew.

If it is necessary for an employee to perform work in a higher rated classification for a period of more than a five (5) day period, the Cooperative will assign the willing qualified employee.

If it is necessary for the Cooperative to fill a vacancy due to a short notice request or call in with less than twenty-four (24) hour notice, Management has the sole discretion to fill that vacancy with a qualified employee.

### ARTICLE 18 - MEDICAL AND BEREAVEMENT LEAVE

#### SECTION 1.

“Leave,” as that term is used in this Agreement, shall mean time off taken by an employee who has accumulated leave time for purposes of bereavement, illness or other medical condition, including maternity, and shall be used only as provided in this Article.

#### SECTION 2.

Employees are not eligible for sick leave until they have completed one hundred twenty (120) actual working days of employment, actually worked.

Regular, full-time employees shall be awarded sick leave at the rate of eight (8) hours per month at the end of the month and may accumulate an unlimited amount of sick leave to help guard against prolonged illness or injury. Sick leave will be awarded during all periods of leave except during periods of leave without pay.

In the event of death occurring within the employee’s immediate family, up to four (4) days personal absence with pay will be granted for bereavement. The absence will not be charged against sick leave. Any additional time off will be charged against the employee’s sick leave or vacation leave, as designated by the employee. The employee must notify their manager as soon as possible of the need for funeral leave.

In the event of the death of an aunt, uncle, niece or nephew, full-time employees will be allowed one (1) day absence with pay for bereavement. The absence shall not be charged against the employee’s sick leave. Any additional time off will be charged against the employee’s sick leave or vacation leave, as designated by the employee. Employee must notify their manager as soon as

possible of the need for funeral leave.

### SECTION 3.

To receive compensation under this Article, before his/her shift begins, an employee must notify his immediate supervisor of the necessity for absence, except in the rare instances when the employee is completely physically unable to give the required notice (i.e., unconscious or totally incapacitated). To receive compensation for planned, non-emergency, sick leave under this Article and to accommodate the planning of work and service to customers, an employee must notify his/her immediate supervisor as soon as possible after the employee has scheduled such sick leave.

An employee who has been absent from work for three (3) consecutive workdays because of illness or accident must notify and advise his supervisor in writing regarding the anticipated duration of his/her continued absence. Such written notice must be from the employee's attending physician.

Supervisors may also require verification of receipt of medical attention when the number of frequencies exceed three (3) in a calendar year. When the Cooperative feels that additional evidence is necessary it may require that the employee provide such additional evidence. An absence from work as a result of a claimed illness or injury may be investigated at any reasonable hour by any authorized representative of the Cooperative.

For the purposes of this agreement frequencies are separate occurrences of sick time. The intent is not to count each day of the occurrence.

### SECTION 4.

Any employee found to have falsified the reason for leave or who has abused the leave provision by falsification or misrepresentation shall, in the Cooperative's sole discretion, thereupon be subject to disciplinary action, including discharge. In addition, such employee will restore to the Cooperative amounts paid to him to which he was not entitled.

## ARTICLE 19 - JURY DUTY

An employee who is required to serve and perform jury duty shall be compensated at his regular straight-time hourly rate by the Cooperative for a maximum of thirty (30) regularly scheduled workdays (up to a maximum of eight (8) hours per workday) per year on a rolling twelve (12) month basis. Any amount received as juror's fees by an employee performing jury duty and being compensated under this Article shall be tendered and released to the Cooperative. To receive compensation under this Article, an employee must provide to the Cooperative valid proof of such jury duty and the amount received as juror's fees. Whenever the employee is temporarily excused from such jury duty by the Court on a scheduled workday, he shall advise his immediate supervisor as promptly as possible and report to the Cooperative and stand ready to work immediately if requested by the Cooperative. The receipt of notice to report for jury duty must be reported immediately to the employee's immediate supervisor.

## ARTICLE 20 - MILITARY SERVICE

Employees inducted into the Armed Forces of the United States shall be re-employed according to

the provisions of the Vietnam Era Veterans Readjustment Assistance Act of 1974, as amended (VEVRA), and the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended (USERRA). Any and all benefits under this Agreement which require working as a condition of earning such benefits and such other benefits as health, medical and other insurance shall not be due to such employees, unless specifically required by statute.

## ARTICLE 21 - HOLIDAYS

### SECTION 1.

Employees shall be paid eight (8) hours pay at their regular straight time rate for the following holidays:

New Year's Day	Thanksgiving Day
Martin Luther King, Jr. Day	Friday after Thanksgiving
Memorial Day	Christmas Eve
Fourth of July	Christmas Day
Labor Day	Floating Holiday*

\* The "Floating" Holiday is added the first pay period of January for the employee to use as regularly scheduled vacation.

### SECTION 2.

To receive holiday pay, an employee must have worked their regularly scheduled hours on the workday immediately preceding the holiday and the workday immediately after the holiday or have either of these days charged to pre-approved vacation, funeral leave, jury duty or authorized sick leave. To receive authorized sick leave pay and holiday pay, the employee must provide written documentation that the employee was seen and treated by a medical provider (hospital/clinic/physician's office).

### SECTION 3.

In addition to the above allowance, an employee will be compensated for hours actually worked on the above listed holidays, except the Floating Holiday, at one and one-half (1½) times his regular straight time rate.

### SECTION 4.

Holidays falling on Saturday shall be recognized on the previous scheduled workday and holidays falling on Sunday shall be recognized on the following scheduled workday.

### SECTION 5.

In the event a holiday falls during an employee's vacation, the employee shall not have vacation time charged for the holiday.

## ARTICLE 22 - VACATION

The earning, accumulation and scheduling of vacation will be as follows:

- a) New employees, after successfully completing six (6) months of training and continuous employment, will have forty (40) hours of vacation time placed on the books which may be taken thereafter, upon approval of the department Senior Vice President/Vice President/Manager.
- b) Regular full-time employees earn vacation days as follows, based on their employment date:
  1. Ten (10) working days earned per year through five (5) years of continuous service.
  2. Fifteen (15) working days earned per year for years six (6) through fourteen (14) years of continuous service.
  3. The maximum earned vacation, twenty (20) working days, will be earned at fifteen (15) years of continuous service.
  4. Vacation is not to be taken during the annual meeting, employee development day, lineman's rodeo, safety day and first aid/CPR training.
  5. Cooperative management will retain the official version of the vacation calendar, and a copy of the calendar will be posted in the operations department for easy access by employees.
    - i. When employees need to add, cancel or revise vacation days, a *Vacation Request/Change Form* must be completed, signed by the employee and approved with signature by the department manager.
    - ii. Upon signature approval by the manager, the employees will update the copy of the calendar located in the operations department, and the manager will update the official calendar.
- c) Maximum carryover at the end of the calendar year will be equal to annual vacation earned, plus five (5) working days. Example: An employee who earns twenty (20) working days of vacation may carry over twenty-five (25) working days at year end. President/CEO reserves the right to expand the amount of carryover due to extenuating circumstances.
- d) Vacation will be scheduled as follows:
  1. The Union shall provide a holiday rotation roster no later than the 1<sup>st</sup> of November, annually.
  2. The Cooperative shall provide a duty roster, which incorporates the holiday rotation, no less than one (1) week prior to vacation selection.
  3. Selection of five (5) working days of vacation by each employee based upon seniority followed by repeated selections until all employees have their planned and/or eligible vacation selected.
  4. All vacation planned for the following calendar year will be selected by the 15<sup>th</sup> of December, annually. All eligible vacation for the following calendar year not selected by the 15<sup>th</sup> of December will be scheduled based on availability and management approval.
  5. No more than three (3) employees will be permitted to schedule vacation on the same dates.
- e) In the event one of the Cooperative's regularly scheduled holidays falls within the employee's scheduled vacation, such holiday will not be charged against the employee's vacation time.
- f) Employees who have earned twenty (20) working days of vacation per year may take five (5) working days in bonus pay during a designated time in the month of December.
- g) Vacation leave will be credited and available in total on January 1 of each applicable year based on the years of service the employee will attain that year. While vacation leave is

credited on January 1, the leave is earned throughout the year. Any vacation days taken and not earned must be repaid to the Cooperative should the employee separate employment. The Cooperative will deduct any overpayment of vacation from the employees last paycheck.

- h) In the case of a person on compulsory military leave, the numbers of years which determine the vacation earned will continue uninterrupted and the time while on military leave will count toward the number of years of continuous service to determine the amount of vacation earned.

## ARTICLE 23 - GROUP INSURANCE

### SECTION 1.

The Cooperative shall have the right to change insurance carriers or programs at any time so long as the group insurance coverage is not substantially reduced.

### SECTION 2.

The contracts between the Cooperative and insurance carriers will govern in all matters related to the insurance plans provided for herein. The exact coverage and the conditions for the coverage of such insurance will be determined by the terms and conditions of the policy or contract, and the Cooperative will not be liable under any circumstances as an insurer of any of the benefits to employees.

### SECTION 3.

Any employee covered by this Agreement who is off work for more than six (6) months--other than for vacation or a leave of absence approved in writing by the CEO of the Cooperative will lose entitlement to all benefits provided for in this Agreement and any insurance contributions made by the Cooperative will terminate. In order for any such benefits to continue, the employee, if eligible, will be required to make the contributions previously made by the Cooperative in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, and, if not made by the employee, such benefits will terminate.

### SECTION 4.

Employees shall contribute thirteen (13) percent of the total premium for the health insurance provided by the Cooperative for the duration of this agreement.

### SECTION 5.

1. If an employee's spouse is employed by another employer where health insurance is available, then such spouse must obtain health insurance from that employer and it shall be primary for such spouse. If the spouse is not eligible to obtain the health insurance, under the provisions of HIPPA, at the time the employee is eligible for health insurance under the Cooperative's plan, then upon a certification from the spouse's employer and its health insurance provider (whether insured or self-insured) that the spouse is not eligible under the provisions of HIPPA until a later date, the spouse will be eligible to be covered under the Cooperative's health insurance program until the earliest date on which such employee's spouse is eligible for insurance provided by their employer.

2. Dependents will be covered by the health insurance of the employee or the spouse with such dependents being covered by the spouse whose Birthday falls earliest in the calendar year.
3. A spouse who loses insurance from their employer will be added to the Cooperative's health insurance program within (30) days of notice of termination of such coverage.
4. An employee who has a spouse/dependent covered by the Cooperative's health insurance program shall certify in writing annually, or as determined by the Cooperative, that the spouse continues to be unemployed or is not eligible for health insurance from their employer and dependents are eligible for coverage based on plan requirements.

#### SECTION 6.

The Cooperative may reopen for negotiations Article 23 of this Agreement with respect to health and medical insurance if Federal or State health care reform legislation is enacted, and if either of the below situations occur:

1. Legislation requires the Cooperative to make payments above that required to provide the specified coverage set forth in this Article; or
2. The legislation would allow the Cooperative to realize a cost reduction in replacing its current plan with that provided for in such legislation.

### ARTICLE 24 - PENSION PLAN

#### SECTION 1.

Employees hired on or before September 2, 2009, shall receive the NRECA Pension Plan.

The instruments composing the Pension Plan will govern in all matters related to it. The exact terms and conditions for coverage, retirement, etc. will be determined by the terms and conditions of such instruments and the Cooperative will not, under any circumstances, be liable for any benefits to the employees. New employees hired on and after September 3, 2009, will not be eligible for or participate in such plan.

For the term of this Agreement, the Cooperative shall pay for such employees the full contribution rates (Cooperative and employee contributions) required under the NRECA Pension Plan. The current so-called multiplier will be 1.7. In no case will the Cooperative maintain or provide Pension Plan benefits to employees who have not completed their probationary period.

#### SECTION 2.

All employees of the Cooperative are eligible to participate in the Cooperative's 401(k) Plan as outlined below:

Employees hired on and before September 2, 2009, that contribute one percent (1%) or more of his/her gross wages, the Cooperative will contribute two percent (2%) of his/her gross wages. Employees hired on or after September 3, 2009, that contribute one percent (1%) of his/her gross wages, the Cooperative will contribute six percent (6%) of his/her gross wages. Each additional one percent (1%) that is contributed by the employee, the Cooperative will contribute an additional one percent (1%) up to a maximum of twelve percent (12%) match as outlined in the following table:



Employee Contribution (gross wage)	Cooperative Contribution (gross wage)
1%	6%
2%	7%
3%	8%
4%	9%
5%	10%
6%	11%
7%	12%

The instruments composing the 401(k) Plan will govern in all matters related to it. The exact terms and conditions for coverage, contributions, withdrawal, retirement, etc. will be determined by the terms and conditions of such instruments and the Cooperative will not, under any circumstances, be liable for any benefits to the employees.

ARTICLE 25 – MISCELLANEOUS

SECTION 1. Clothing

The Cooperative will provide employees with thirteen (13) sets of uniforms (pants and shirts) per year and pay for the laundry of such uniforms. In addition, the Cooperative will additionally provide the following:

- (1) Three (3) FR rated sweatshirts
- (2) One (1) set of FR rated insulated bibs with insulated jacket
- (3) Seven (7) FR rated t-shirts

Laundry service will be offered on all the above and will be replaced based on appearance, condition or being tagged “repair/replace” by the employee. Employees will not wear apparel that have other logos. All uniforms, clothing and other apparel shall be clean and well maintained, as determined by the Cooperative.

SECTION 2. Boot Allowance

The Cooperative shall pay each employee lineman a four hundred (\$400.00) boot allowance the first pay period in January. For all other employees, the Cooperative shall pay a two hundred and fifty dollar (\$250.00) boot allowance the first pay period in January. The first payment will start in January 2025 and will continue each year thereafter.

Employees will be required to sign an *Allowance Form* that states payment will be reimbursed by the employee should they leave employment of the Cooperative prior to the end of the year.

The reimbursement to the Cooperative will be prorated based on the number of days remaining in the year at the time of termination.

### SECTION 3. Climbing Equipment and Accessories.

The Cooperative specifically retains the sole discretion to determine the equipment bargaining unit employees shall use to perform their work. The Cooperative will issue advanced payment of seven hundred and fifty dollars (\$750.00) to new employees for the purchase or ownership of belt, hooks, hand tools or appropriate outer wear and work-related accessories to wear with uniforms.

New employees will be required to sign an *Allowance Form* that states full amount of the advanced payment will be reimbursed by the employee should they leave employment of the Cooperative prior to actually working twelve (12) months.

This is in addition to Article 25, Section 1 for newly hired employees. Should the employee complete the Apprenticeship Program, the belt and hooks will belong to the employee for the duration of his employment. Any such replacement climbing equipment and/or hand tools shall conform to all applicable rules and regulations as determined by the Cooperative's safety representative.

Each employee will furnish the initial set of hand tools. The Cooperative will replace such climbing equipment and/or hand tools that are broken or worn to a point of being unsafe. Such equipment must be returned by the employee as a condition of having it replaced.

### SECTION 4. Driver's License

Crew Leaders, Lead Line Technicians, Line Technicians, Service Technicians, Apprentice Technicians and any other employees who drive or operate Cooperative vehicles or equipment shall maintain an active, Kentucky driver's license with a Class A Commercial Driver's License ("CDL") certification. The Cooperative will pay for the required CDL portion of the license. Loss or revocation of a driver's license or a CDL for a "Major Violation" under the CDL Regulations will result in the termination of the employee. If it is a "Serious Violation" under the CDL Regulations, then the disciplinary action can be, in the Cooperative's discretion, up to and including termination of employment.

### SECTION 5. Union Bulletin Board

The Cooperative will provide a bulletin board for posting of official Union bulletins and job postings. Nothing, however, shall be posted on such bulletin board which is derogatory to any individual or which is libelous or obscene, or which deals with any matter that is subject to the grievance-arbitration procedure set forth in this Agreement. Only official matters which relate directly to members of the bargaining unit at the Cooperative may be posted on the bulletin board.

### SECTION 6. Cellular Telephones

The Cooperative will reimburse each bargaining unit employee eighty-five dollars (\$85.00) each month towards the cost of cellular telephone service as required for all bargaining unit job positions. The telephones shall be the property of the employees who are required to have the telephone available at all times, excluding vacation, and answer it when called. Guidelines for the cellular telephones are as follows:

- a) At the personal expense of each bargaining unit employee, the employee shall purchase, maintain and replace the telephone as required to have a cellular telephone available as stated above.
- b) Features of the cellular telephone shall include the following:
  1. Coverage for Shelby Energy Cooperative service territory;
  2. Coverage for the residence of the employee;
  3. Voicemail capabilities, and
  4. Texting capabilities.
- c) The Cooperative shall not be responsible for any over time or other wage opportunities lost by a bargaining unit employee resulting from the lack of cellular telephone coverage or a defective/inoperable device.
- d) The employee shall provide the cellular telephone number to appropriate management, in writing, via the *Cellular Information Form* as soon as the information is available.
- e) Should a cellular telephone number change or an alternate number be necessary, the employee shall submit the information, in writing, via the Cellular Information Form to appropriate management as soon as the information is available to assist with timely revisions with the answering service provider.
- f) The employee shall obey all local, state, federal and Cooperative Regulations, policies and guidelines when using the cellular telephone.
- g) Reimbursement to the bargaining unit employee shall be included with payroll each month. A partial month of reimbursement for a cellular telephone shall be prorated based on the number of days applicable to the date of employment or the date of termination.

#### SECTION 7. Prescription Safety Eyewear

A reimbursement of up to one hundred dollars (\$100.00) for the cost differential on safety features that apply to prescription eyewear will be paid to bargaining unit employees based on the following:

- a) The reimbursement will apply annually;
- b) The employee will provide an itemized receipt from the eyewear vendor;
- c) The request for reimbursement must be submitted to the Cooperative's human resource's representative for payment;
- d) Should the proper information not be provided to the human resource's representative, the employee shall be required to wear the eyewear safety guards provided by the Cooperative.

#### SECTION 8: Labor Management Meetings

The Parties agree to meet quarterly for the purposes:

- a. to improve communications between representatives of labor and management;
- b. to provide workers and employers with opportunities to study and explore new and innovative joint approaches to achieving organizational effectiveness;
- c. to assist workers and employers in solving problems of mutual concern not susceptible to resolution within the collective bargaining process;
- d. to enhance the involvement of workers in making decisions that affect their working lives;
- e. to expand and improve working relationships between workers and managers.

Quarterly meetings should include the CEO of the Cooperative and the Business Manager of the Union, and/or their designees, and any members of management or the union they respectively choose to have attend the meetings.

These meetings shall occur at the offices of the Cooperative unless otherwise agreed, at a time mutually agreed to by the Parties. Each Party may provide a concise agenda to the other three (3) days prior to the scheduled meeting. The intent of the agenda is not to limit discussion, rather to demonstrate the Parties good faith in meaningful discussion.

## ARTICLE 26 - NON-DISCRIMINATION

The Cooperative and the Union agree that the provisions of this Agreement shall be applied to all employees without discrimination on the basis of age (over age 40), disability (as defined and provided for in the Americans with Disabilities Act of 1990), sex, race, color, religion or national origin or status as a Vietnam Veteran.

Whenever the words "he", "him" or "his" are used herein, those words shall be deemed to include the feminine gender as well.

## ARTICLE 27 - WAGE RATES AND CLASSIFICATIONS

### SECTION 1. Moves into Lower-Rated Positions

All employees, whether employed as of the ratification date of this Agreement or not, who are demoted to a lower rated classification (determined by reference to Regular Classified Rates) after the ratification of this Agreement shall receive the rate of the job classification to which they are demoted to or to which they have bumped.

### SECTION 2. Rates

Wage rates for all classifications within the bargaining unit are set forth in Appendix A.

### SECTION 3. Wages

#### Shelby Energy Cooperative Check of Technical Agreement

	Increase 3.00%	Increase 3.50%	Increase 3.50%	Increase 3.50%	Increase 3.75%
Current	11/1/2024	11/1/2025	11/1/2026	11/1/2027	11/1/2028

Crew Leader (Journeyman + \$3)	\$47.17	\$48.50	\$50.09	\$51.74	\$53.44	\$55.33
Lead Line Tech (Journeyman + \$1)	\$45.17	\$46.50	\$48.09	\$49.74	\$51.44	\$53.33
Journeyman (Service Technician)	\$44.17	\$45.50	\$47.09	\$48.74	\$50.44	\$52.33
Apprentice Hire	\$26.28	\$27.07	\$28.02	\$29.00	\$30.01	\$31.14

Apprentice Enter Program	\$28.86	\$29.73	\$30.77	\$31.84	\$32.96	\$34.19
Apprentice Level 1	\$34.72	\$35.76	\$37.01	\$38.31	\$39.65	\$41.14
Apprentice Level 2	\$35.79	\$36.86	\$38.15	\$39.49	\$40.87	\$42.40
Apprentice Level 3	\$37.91	\$39.05	\$40.41	\$41.83	\$43.29	\$44.92
Apprentice Level 4	\$40.55	\$41.77	\$43.23	\$44.74	\$46.31	\$48.04
Materials Technician	\$36.07	\$37.15	\$38.45	\$39.80	\$41.19	\$42.74

## ARTICLE 28 – STEWARDS

The Union shall have the right to designate a Chief Steward and an Assistant Chief Steward from employees in the bargaining unit. Such designation of the person to be steward shall be communicated to the President and CEO (or designated representative in event of absence) of the Cooperative within seven (7) days. Any change in the steward shall be communicated to the Cooperative in the same way and within the same period as set forth above. Employees shall not engage in any Union activities during working hours. All Union activities, including the discussion of grievances, whether or not with management, and other activities incidental to collective bargaining, shall take place at times mutually convenient to the Cooperative and the Union.

The Company shall compensate an employee only for the regular straight-time hours actually lost by such employee because of the employee’s documented participation in the contractual grievance procedure, K.O.S.H.A. inspections, and the arranged meetings, as outlined below:

- a) For the time spent by Shop Stewards, Chief Stewards and other employees authorized by this agreement to participate in the processing of a grievance under the terms of the grievance procedure set forth in Article 12.
- b) For time spent by a Union member who is requested by the Company or K.O.S.H.A. to attend opening or closing conferences or the walk around of a K.O.S.H.A. inspection of a company facility.
- c) For time spent in arranged Company authorized meetings with Company representatives.

Union business except as specifically provided herein, shall not be conducted during employee’s working time unless specifically authorized by the Company.

Union members who are excused from work for the conduct of Union business, and who are not eligible for compensation by the Company for time so spent, shall, upon request by the Union, be compensated by the Company for straight-time hours spent. The Union will reimburse the Company for these hours upon proper notice. The Company’s obligation under this section shall be suspended if, after thirty (30) calendar days from demand for proper reimbursement, such reimbursement is not received by the Company. Any contested amount of reimbursement is all that may be withheld by the Union to avoid the suspension of such obligation.

## ARTICLE 29 - EFFECT OF LAW

All provisions of this Agreement shall be subordinate and subject to any statute or law that may be applicable, whether now in effect or hereinafter enacted. If any provision of this Agreement or application of this Agreement to any employee is contrary to law, then such provision or

application shall not be deemed valid except to the extent permitted by law, but all other provisions or applications of this Agreement shall continue in full force and effect.

## ARTICLE 30 - ENTIRE AGREEMENT

### SECTION 1.

This Agreement sets out the entire understanding between the Cooperative and the Union with respect to the unit of employees described in this Agreement. Neither party intends to be bound or obligated except to the extent that it has expressly so agreed herein, and this Agreement shall be strictly construed. The Union shall not use or attempt to use in any arbitration or legal proceeding of any kind under this Agreement or in which involves this Agreement any concession or change in the language or position which the Cooperative made or agreed to in the course of the negotiations for this Agreement, and evidence of any such concession or change in the language or position on the Cooperative's part shall be inadmissible. This Agreement applies only to the collective bargaining unit defined in this Agreement. None of the benefits, rights or privileges accorded by this Agreement to the Union or to any employee covered by this Agreement shall survive the expiration or termination of this Agreement.

### SECTION 2.

It is distinctly understood and agreed by the Union that the Cooperative shall not be obligated, contractually or otherwise, to continue in effect any custom, practice or benefit unless it has contractually obligated itself to do so by clear and explicit language in this Agreement.

### SECTION 3.

The Cooperative and the Union agree that the agreements reached to settle grievances that were posted for arbitration under the Agreements effective from September 2, 2009 through September 1, 2021 shall remain in effect as though fully set forth in the new Agreement effective September 1, 2024 through October 31, 2029.

## ARTICLE 31 - COLLECTIVE BARGAINING

The Cooperative and the Union each acknowledge that this Agreement has been reached as a result of collective bargaining in good faith by both parties hereto, and that both parties hereto have had the unlimited opportunity during negotiations to submit and discuss proposals on all subjects which are bargainable matters. While it is the intent and purpose of the parties hereto that each of them shall fully perform all obligations by them to be performed in accordance with the terms of this Agreement, the Union agrees that the Cooperative shall not be obligated to bargain collectively with the Union during the term of this Agreement on any matter pertaining to rates of pay (except as provided in Article 15, "Rates of Pay for New Classifications"), wages, hours of employment, or other conditions of employment, and the Union hereby acknowledges that the Cooperative's obligations during the term of this Agreement shall be limited to the performance and discharge of its obligations under this Agreement.

ARTICLE 32 - DURATION OF AGREEMENT

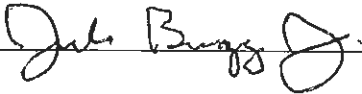
The effective date of this Agreement is September 1, 2024. This Agreement shall be in full force and effect for the entire period from September 1, 2024, through October 31, 2029, and from year-to-year thereafter, unless either party hereto shall at least sixty (60) days prior to October 31, 2029, or the last day of October in any year thereafter, notify the other party in writing of its intention and desire to terminate this Agreement. If proper notice is given and the parties, after negotiation, fail to reach agreement on the proposed changes, this Agreement may be terminated by either party upon ten (10) days written notice delivered to the other at any time after the date upon which this Agreement would have otherwise terminated if no notice for termination had been given. Such ten (10) days' notice must be given before any lockout or strike may occur. Items proposed by Shelby Energy Cooperative that are not contained in this Comprehensive Tentative Agreement have been withdrawn.

Items proposed by IBEW Local 2100 that are not contained in this Comprehensive Tentative Agreement have been withdrawn.

**IN WITNESSETH WHEREOF**, the Employer and the Union have executed this Comprehensive Tentative Agreement on the day and date first above written and it shall become effective September 1, 2024.

For Shelby Energy Cooperative:

For IBEW Local Union #2100

  
\_\_\_\_\_

Jack Bragg, CEO

\_\_\_\_\_

Alex Vibbert, Business Manager

Date Signed: 7/25/25

Date Signed: \_\_\_\_\_