

**AGREEMENT**

between

**THE SAUK CENTRE PUBLIC UTILITIES COMMISSION**

and

**THE AMERICAN FEDERATION OF STATE, COUNTY  
AND MUNICIPAL EMPLOYEES, COUNCIL 65, LOCAL UNION 748**

**EFFECTIVE**

**JANUARY 1, 2018 THROUGH DECEMBER 31, 2020**

**Approved at the December 11, 2017 Commission Meeting**

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## AGREEMENT

### 1. CONTRACT.

This Agreement, entered into by and between the Municipal Utilities Board of Commissioners, hereinafter referred to as the "Employer" and Minnesota Council 65, American Federation of State, County and Municipal Employee AFL-CIO, hereinafter referred to as the "Union", has as its purpose the promotion of harmonious relations between the Employer and the Union; the establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of employment, and other terms and conditions of employment.

### 2. RECOGNITION.

A. Unless otherwise specifically stated, whenever the term "employee" is used in this Agreement, the term shall only refer to an employee covered by this Agreement and to no other employee of the Employer.

B. Pursuant to the Certification of the State of Minnesota, Bureau of Mediation Services, the Employer recognizes the American Federation of State, County and Municipal Employees, Council 65, AFL-CIO, as the sole and exclusive bargaining agent for the purposes of collective bargaining with respect to rates of pay, wages, hours of employment, and other terms and conditions of employment, including personnel policies, for all employees of the Employer.

The Employer shall not enter into any agreement with employees coming under the jurisdiction of this Agreement, either individually or collectively, which in any way conflicts with the terms or conditions of this Agreement or with the role of the Union as the sole and exclusive representative for said employees.

C. The Employer recognizes the Union as the sole and exclusive bargaining agent for all regular full-time and permanent part-time employees of the Sauk Centre Public Utilities Departments, but excluding supervisors, office clerical, seasonal, temporary, and confidential employees.

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**MANAGEMENT RIGHTS.**

A. Except as limited by a provision of this Agreement, Employer shall have the right to take any action it deems appropriate in the management of the Utility and the direction of the work force. The Employer reserves the right to: reprimand or otherwise discipline employees; hire, promote, transfer, and assign employees to work; maintain the efficiency of employees; close down buildings or any part thereof or expand, reduce, alter, combine, transfer, assign or cease any job, department, operation, or services; control and regulate the use of equipment and other property of the Employer; determine the number, location and operation of divisions and departments thereof, the assignment of work and the size and composition of the work force; make or change rules, policies or practices not in conflict with the provisions of this Agreement; introduce new or improved research, development, maintenance, service methods, materials and otherwise generally manage the Utility, and direct the employees except as modified or restricted by provisions of this Agreement.

B. The Union recognizes that all employees covered by this Agreement shall perform lawful services prescribed by the Employer and shall be governed by the laws of the State of Minnesota, and by Employer rules, regulations, directives and orders, issued by properly designated officials; and the Union also recognizes the right, obligation and duty of the Employer and its duly designated officials to promulgate rules, regulations, directives and orders from time to time as deemed necessary by the Employer insofar as such rules, regulations, directives and orders do not conflict with the terms of this Agreement.

C. Reservation of Management Rights. The enumeration of the rights and duties of the Employer in this Agreement shall not be deemed to exclude other statutory and inherent management rights and management functions, and all management rights and management functions not delegated in this Agreement are reserved to the Employer. The Employer's non-exercise of any function hereby reserved to it, or its exercising any function in a particular way shall not be deemed a waiver of its right to exercise such function or preclude the Employer from exercising the same in some other way not in conflict with the provisions of this Agreement.

4.

**CONTINUOUS OPERATION.**

A. Strikes Prohibited. There shall be no strikes, stoppages, slow-downs, picketing or other interference with the operation of the Employer (all of which are referred to as "strikes") during the term of this Agreement. Strike actions shall be subject to PELRA regulations. "Strike" shall mean concerted action in failing to report for duty, the willful absence from one's position, the stoppage of work, slow down or the absence in whole or in part from the full, faithful and proper performance of the duties of employment. No officer or representative of the Union shall authorize, instigate, aid or condone any strike, and no employee shall participate in any strike.

B. Penalties. Any employee who violates the provisions of this Section shall have their employment terminated by the Employer effective the date the violation first occurs. Such termination shall be effective upon written notice served upon the employee. An employee who is absent from any portion of their work assignment without permission or who abstains wholly or in part from the full performance of their duties without permission from the Employer on the date or dates when a strike occurs is presumed to have engaged in a strike on such date or dates. Employees who violate the provisions of this Section may, subsequent to such violation, be employed or re-employed, but the employee shall be on probation for two (2) years with respect to tenure of employment. No employee shall be entitled to any daily pay, wages or per diem for the days on which they engaged in a strike. The Employer agrees that during the life of this Agreement, it will not lock out employees.

5. **UNION SECURITY.**

- A. The Union may designate employee representatives from the bargaining unit to act as negotiators and/or stewards for the bargaining unit.
- B. The Employer agrees to allow the Union use of one designated bulletin board at each work site, in a convenient space, for the purpose of posting notices of Union meetings, elections, appointments of office, recreation or social affairs or related items.
- C. In recognition of the Union as the exclusive representative:
  - 1. The Employer shall deduct an amount sufficient to provide the payment of regular Union membership dues, fees, assessments, and any other Union approved and employee authorized deductions from the wages of all employees of the bargaining unit.
  - 2. The Employer shall remit such deductions to the appropriate designated officer of the Union with a list of the names of the employees from whose wages deductions were made.
  - 3. The Union shall certify to the Employer the amount of regular dues to be withheld.
  - 4. Fair share members of the bargaining unit shall be assessed an amount no more than eight-five percent (85%) of the regular Union membership dues.

6. **PAYROLL.**

Payroll shall be computed on a bi-weekly basis, and Friday shall be the regular payday. When the regular payday falls on a holiday, the day preceding the holiday shall be the payday.

7. **WORK WEEK/HOURS.**

- A. The normal workweek for full-time employees shall be five (5) consecutive eight (8) hour days Monday through Friday from 7:00 am to 3:30 pm. Management reserves the right to schedule on call personnel staff to hours that end at 4:30 pm. If on call experience warrants it.
- B. All hours worked in excess of eight (8) hours per day or forty (40) hours per week shall be deemed overtime for which employees shall be paid at the rate of 1-1/2 times their regular straight time rate. Employees will be allowed to accumulate compensatory time, instead of overtime pay, up to forty (40) hours. Employees may accumulate up to eighty (80) hours of compensatory time in any one calendar year. Compensatory time taken must be used at a minimum ½ hour at a time. Compensatory time shall be taken at times mutually agreed to by the Employer and employee. The compensatory time may be liquidated with the first paycheck in July and must be liquidated with the first paycheck in December. When computing overtime; holidays, vacation and sick time shall be considered time worked. If the on-call person who has been called out determines there is a need for a second person to respond, they will have the authority to call the other on-call person. They may call out someone else, if there is a need for a more specialized/skilled person to complete the job. Any employee responding to a call out must be in accordance with the substance abuse policy. An employee called out will receive a minimum of 2 hours of pay at time and a half (1½). Call out pay will start at the time the call is received. Call out pay will end at job completion.
- C. Employees who are required to be on call during the week must be available to work and will be paid at the overtime rate of seven (7) hours for the week on call. Linemen are required to do one operational check on Saturday and Sunday and shall be paid ½ hour at their overtime rate of pay. Water and wastewater personnel on call are required to do one operational check at the Water and Wastewater plant on Saturday and Sunday and shall be paid 1¾ hours at their overtime rate of pay. If the operational check takes longer than the ½ hour or 1¾ hours respectively the employee shall be paid for all hours worked. The Supervisor shall be notified of the reason for the extended time.
- Employees required to be on call for a Holiday shall receive an extra hour of pay at 1½ times the employees' regular rate of pay for the Holiday on call assignment. Example: The on call person for the Electric Dept. receives 1½ hours and the Water/Wastewater Dept. receives 2¾ hours for each Holiday.
- D. The list for weekend duties will be provided by the Sauk Centre Public Utilities Commission. On call exchange will occur at the normal starting time on Friday.
- E. On-call employees contacted to report to work are to report to work in a reasonable amount of time. Reasonable is defined as an amount of time not to exceed twenty (20) minutes under normal conditions.
- F. Employees will be required to work outside unless the absolute (not wind chill) temperature falls below -10F. If the Supervisor or Superintendent determines that an emergency exists, employees shall be

required to work outside if the absolute temperature falls below -10F.

**8. PROBATIONARY PERIOD.**

The probationary period for employees shall be six (6) months from the date of hire. Probationary employees may be discharged for any reason at the sole discretion of the Supervisor or Superintendent. In the event of promotion, an employee shall be required to serve a six (6) month probationary period. If the employee does not successfully complete the probationary period, such employee may return to their old job.

**9. SENIORITY.**

- A. Seniority with the Employer. For the purposes of vacation, sick leave, retirement, and other benefits accrued, the employee's years of continuous service shall be the seniority that applies.
- B. Bargaining Unit Seniority. For the purposes of layoff and movement on the salary schedule, the employee's compensated hours of service in the bargaining unit shall apply.
- C. Promotion. In considering the promotion of an employee, the Employer shall take into consideration seniority as well as qualifications and ability to do the job.
- D. The Employer shall furnish the Union with current seniority lists showing the number of hours of service.
- E. An employee promoted out of the bargaining unit shall retain his/her seniority status until he/she achieves permanent status in the promoted position.
- F. In the event of layoff of employees in any classification of work becomes necessary, the employee with the least seniority in the classification of work affected by the layoff shall be the employee laid off. Employees to be laid off will be given at least ten (10) working days advance notice.

Employees who have previously served in another job class shall retain seniority rights within that classification and may bump less senior employees. Further, employees who have the ability to perform the work of a different classification with some orientation may elect to bump into that classification and displace a less senior employee.

The Employer will not employ temporary, part-time, or seasonal employees in any covered classification while any employee is on layoff.

- G. Employees shall be recalled from layoff in accordance with the following procedure:
  - 1. Employees who have exercised bumping rights shall revert to their old classification.
  - 2. Employees shall be recalled in the inverse order of layoff.

3. No new employees shall be hired until all employees on layoff status desiring to return to work have been recalled. Recall notices shall be mailed via registered mail, return receipt requested, to the employee's last known address.

4. Recalled employees shall return to work within seven (7) days following the date the recall notice is received.

5. Employees shall remain on the recall list for a period not to exceed four (4) years.

10. **GENERAL PROVISIONS.**

A. While on paid leave, employees will continue to accrue sick leave and vacation leave. These benefits will not accrue to employees on unpaid leave.

B. The substance abuse policy will be modified to require Commercial Drivers license of the electric crew only. All local union # 748 employees will continue to be covered by the substance abuse policy, under the same conditions as Union employees with CDL license.

C. The Sauk Centre Public Utilities Commission will follow all rules and regulations on the FMLA language.

a. **Family and Medical Leave.** In addition to all the paid and unpaid leave provisions provided by this Agreement, all relevant provisions of FMLA shall be granted to eligible employees. Employees with at least 12 months of employment and at least 1,250 hours of service with Sauk Centre Public Utilities during the 12-month period immediately preceding the commencement of the leave may take a total of 12 work weeks of unpaid family or medical leave during the applicable 12-month period. The applicable 12-month period is a "rolling" 12-month period measured backward from the date an employee uses leave under the Family and Medical Leave Act (FMLA). Leave may be taken for one or more of the following reasons:

- Because of the birth of the employee's son or daughter and in order to care for the child.
- Because of the placement of a son or daughter with the employee for adoption or foster care.
- In order to care for the employee's spouse, son, daughter, or parent who has a serious health condition.
- Because of a serious health condition that makes the employee unable to perform the functions of his or her position.



A "serious health condition" usually requires either inpatient care or continuing treatment by or under the supervision of a health care provider and a period of incapacity of more than three consecutive days.

The employee must follow the usual and customary procedures for requesting a leave of absence and must give at least 30 days' written notice, where possible. The FMLA request must state why a leave of absence is needed and the anticipated duration of the leave of absence (including starting date and return date).

If an employee takes a leave for the serious health condition of the employee, or the employee's spouse, child or parent, the employee will be required to submit a Certification of Health Care Provider verifying the employee's or family member's medical condition and the need for leave.

During an FMLA leave, the employee is required to pay the employee's share of premiums to maintain any health benefits under the group health plan during the leave.

For FMLA leaves, employees will decide to use accumulated paid leave (vacation, sick leave and personal leave) for FMLA leave, pursuant to applicable law.

Prior to returning from an FMLA leave for the employee's own serious health condition, the employee may be required to submit a release to return to work. This policy is intended to comply with the Family and Medical Leave Act (FMLA), and the terms used in this policy are used as defined by the FMLA and applicable law.

11. **HOLIDAYS.**

A. The following are recognized holidays:

New Year's Day

Martin Luther King Day

President's Day

Good Friday

Memorial Day

Fourth of July

Labor Day

Veteran's Day

Thanksgiving Day

Day after Thanksgiving

Christmas Day

- B. If an employee works on any of the holidays listed above, he/she shall be paid at the rate of time and one-half (1 and 1/2) for all hours worked in addition to his/her regular holiday pay.
- C. To qualify for a paid holiday, an employee must have been on the payroll for thirty (30) calendar days or more prior to said holiday, employees shall be required to work their last regular scheduled work day prior to the holiday and their next regular scheduled work day after the holiday to qualify for holiday pay, unless the employee is absent due to illness, accident or is on vacation. The wording of this paragraph will have a sunrise time for the length of this contract only.
- D. Each employee who qualifies will receive eight (8) hours regular pay for each of the above holidays as holiday pay. When a holiday occurs during the time an employee is on vacation, employees shall not be charged a vacation day but shall receive their holiday pay for the recognized holiday.
- E. When a holiday falls on a Saturday or Sunday, employees eligible for holiday pay shall be given another day off with pay on the preceding Friday or the following Monday as determined by the Superintendent.
- F. The Employer reserves the right to schedule work during holidays.

12. **VACATIONS.**

- A. Vacations will be calculated as per employee's anniversary date and will be earned prior to its use. Vacation is earned and calculated per pay period. For the first year the employee will earn 1.538 hrs. per pay period. Upon completion of six (6) months of employment, an employee may use earned vacation. However, if an employee fails to complete the initial probationary period they shall not be eligible for payment of any earned vacation.  
  
Upon completing one (1) year of continuous service with the Employer, an employee shall earn 3.076 hrs. per pay period.  
  
Upon completing five (5) years of continuous service with the Employer, an employee shall earn 4.615 hrs. per pay period.  
  
Upon completing fourteen (14) years of continuous service with the Employer, an employee shall earn 6.153 hrs. per pay period.  
  
Upon completing nineteen (19) years of continuous service with the Employer, an employee shall earn 7.693 hrs. per pay period.
- B. Vacation time shall be taken with five (5) working days advance notice to the Superintendent or Supervisor, with the exception of an emergency in the family. All requests for vacation must be approved by the Supervisor or Superintendent. If the work schedule allows, the Superintendent or Supervisor may approve vacation requests with less than five (5) days notice.

- C. Vacation pay shall be computed at the employee's straight time pay rate. In the event of the death of an employee, earned vacation shall be paid to the employee's estate. Cash payment shall also be made for earned vacation not used due to separation for ill health. Where separation occurs for any other reason, an employee may take any accrued vacation time, prorated, provided that two (2) weeks notice of separation has been given otherwise accrued vacation at termination will be paid into Health Care Savings Plan per article 20c.
- D. An employee may carry over vacation up to the annual accrual amount plus 40 hours calculated to the employee's anniversary date. Employees must take at least ½ of the annual accrual in vacation to be eligible for severance benefits otherwise any hours under the 50% annual accrual will be forfeited. Example: An employee who accrued 200 hours of vacation but only used 80 hours would be eligible for a maximum of 100 hours paid into HCSP at their anniversary date not 120 hours.

13. **JURY DUTY.**

Employees shall be granted leave with pay when required to be absent from work for jury duty, providing, however, that compensation received for such duty during the time when the employee would normally be working for the Sauk Centre Public Utilities Commission be turned over to the Utility Commission in order for the employee to draw his/her regular salary for that period.

14. **BEREAVEMENT LEAVE.**

- A. Employees are eligible for bereavement leave after one (1) year of service.
- B. Employees shall be allowed up to three days paid leave in the event of death in the immediate family. Additional leave time may be used from compensation accrual per section 7B, or vacation accrual per section 12B, excepting that the advanced notice requirements are reduced to same day notice. Additional time off used from sick leave accrual shall be per section 17C, 17E, and 17H.
- C. Immediate family means an employee's spouse, the parents, children, siblings, grandparents, and grandchildren of either the employee or the employee's spouse, brother in law and sister in law. It also shall include those who occupy the same home in similar roles to the immediate family, due to special circumstances. The final determination on significant other will be made by the Superintendent or Supervisor.
- D. Bereavement leave that is requested in connection with the death of persons not covered by this section may be taken as vacation leave or leave without pay. Sick leave may not be used.

15. **LEAVE OF ABSENCE WITHOUT PAY.**

- A. An employee desiring a leave of absence from the job must request permission from the Employer in writing thirty (30) days prior to the date of the requested leave for leaves more than 10 days. Leaves less than 10 days may be approved by the Superintendent or Supervisor. The employee must state the reason for the requested leave of absence and the dates of departure and return. Where the reason for the leave is medical disability, any request for leave must be accompanied by medical support.
- B. An Employee who is absent without authorization will be deemed to be absent without excuse. Three (3) consecutive days of unexcused absence will be deemed a voluntary resignation.
- C. Unless the Superintendent grants an extension due to extraordinary circumstances, the leave may not exceed thirty (30) calendar days. However, where the reason for the leave is parental leave, the Employer will grant up to six weeks. During the unpaid leave, the employee may choose to continue to participate in the Employer's insurance plan at the employee's own expense.

16. **MILITARY LEAVE.**

Military induction leave and military training leave shall be governed by state and federal law.

17. **SICK LEAVE.**

- A. Sick leave shall be accumulated at a rate of 3.692 hours per pay period up to a maximum of nine hundred sixty (960) hours, with pay for all permanent, full-time employees. When the sick leave balance exceeds 960 hours, the hours in excess will continue to be accumulated for severance purposes but may not be taken as sick leave.
- B. Employees who are granted a leave of absence with pay for any purpose shall continue to earn sick leave at the regular prescribed rate. Sick leave cannot be earned for leave without pay.
- C. Sick leave may be utilized by employees when they are incapacitated from the performance of their duties due to sickness or injury. Sick leave shall be charged at a minimum rate of one-half hour when it is necessary for the employee to attend doctor or dentist appointments during work hours. Sick leave shall be charged to the nearest one-half hour for the time absent from the employee's work duties, thereafter.
- D. An employee on workers' compensation shall receive his/her workers' compensation check and, at the employee's discretion, may use one-third (1/3) day sick leave for every day on workers' compensation. The Employer will pay the employee for any sick leave used.
- E. In order for an employee to receive compensation while absent on sick leave, the employee shall notify their Supervisor or Superintendent of the Sauk Centre Public Utilities Commission as soon as practicable oral approval will be given and then followed up in writing with the approval of the daily

time sheet.

- F. With approval from the Supervisor or Superintendent, Employees will be allowed to use accrued sick leave for absences due to illness/injury of their children, spouse, adult child, sibling, parent, mother in-law, father in-law, grandchild, grandparent, or stepparent for reasonable periods of time, on the same terms as the employees are able to use sick leave benefits for their own illnesses/injuries. To qualify for this sick care leave, an employee must have worked for the employer on at least a half time basis for the preceding 12 months.
- G. No sick leave is allowed for time off due to an injury incurred while working for another employer.
- H. A doctor's certificate may be requested from the employee by the Supervisor, Superintendent or Commission if an Employee remains on sick leave for two (2) or more consecutive days.
- I. Earned sick leave will be based on continuous employment, unless broken service with the Sauk Centre Public Utilities Commission not exceeding sixty (60) days is caused by layoff for lack of work.
- J. Days of sick leave taken for job related injuries (not covered by workers' compensation) shall not be counted against earned sick leave.
- K. Sick leave may be granted to permanent employees when the employee is unable to perform work duties due to childbirth or pregnancy disabilities.

18 **MISCELLANEOUS BENEFITS.**

- A. Employees who are unable to perform their duties due to a work-related injury will receive Workers' Compensation benefits as provided by law.
- B. The Employer will provide a term life insurance policy valued at \$50,000.

19 **MEDICAL INSURANCE.**

- A. The Employer will select and purchase medical insurance. The Employer will pay 90% of the premium for the single plan coverage and 90% of the premium for family plans coverage. The employee shall be responsible for the remaining 10% of the premium, which will be delivered from the employee's paycheck.
- B. Effective with this contract, the union has agreed to (500-40) coverage. Forty dollar co-pay with a \$500.00 deductible.

The Employer and the Union will develop an insurance committee with members from the Union and Employer to meet and review insurance plan options and come to a mutual recommendation for the Union and Commissioners on coverage.

**RETIREMENT/SEVERANCE****A. Insurance.**

At the time of early retirement, an employee shall be eligible for an Employer paid single medical insurance at the rate of \$706.32 per month for employees at the age of 55 to 59. The above amount must be paid into the health care savings plan by the employer. When that employee reaches the age of 60 or an employee retires at the age of 60 years or older, the employee shall be eligible at the rate of \$859.63 per month until the age of 65 or when eligible for Medicare coverage (which ever occurs last). The above amount must be paid into the health care savings plan by the employer. Any premiums over the \$706.32 or \$859.63 shall be paid by the employee. To be eligible, the employee has to have reached the age of fifty-five (55), have twenty (20) years of service, and leaving in good standing with the Sauk Centre Public Utilities Commission.

**B. Severance/Sick Leave**

After ten (10) years of continuous service and leaving employment in good standing, an employee would receive twenty-five (25) percent of all accumulated sick leave at the employee's rate of pay at the time of separation. For employment years of eleven through twenty at 2.5% increasing scale would be used with a maximum of a 50% payout into the Health Care Savings Plan.

**C. Health Care Savings Plan**

An employee obtaining 20 years of service shall receive 50% at the employee's current rate of pay into this plan for accumulated sick leave in excess of 960 hours. On December 31 each year thereafter the utility shall pay out 50% at the employee's current rate of pay into this plan all accumulated hours in excess of 960 hours. The employee total shall be reduced to 960 hours each December 31. The 960 hours remaining shall be paid out, based on section B of this article at the time of separation. Any excess vacation up to 50% of the accrual rate as of the employee's anniversary date will be paid at their current rate of pay into this plan.

All unused accrued vacation at termination of employment will be transferred into the employee's Health Care Savings Plan at the current rate of pay.

Any employee with 0 to 15 years of service will pay 2% of their salary, 16 to 25 years of service will pay 4% of their salary, and 26 years of service or longer will pay 8% of their salary into this plan.

The utility shall have 30 days from the effective dates to submit the Health Care savings Plan funds to the Minnesota State Retirement System Health Care Saving Plan.

**21. DISABILITY INSURANCE.****A. Short-Term Disability**

The Employer will select and purchase disability insurance in the amount of \$400 per week. The Employer will pay ninety percent (90%) of the premium and the employee shall be responsible for the remaining ten percent (10%) of the premium which will be delivered from the employee's paycheck.

**B. Long-Term Disability**

The Employer will select and purchase a long-term disability insurance plan. This long-term disability coverage starts after an elimination period of 180 days before payments will be made. Employees may elect to reduce the elimination period at their own expense. Coverage will be 60% of normal salary up to \$2,000 per month. This would be paid until age 65 if disabled.

**22. EXPENSES.**

The Commission shall pay for expenses for an employee to take a specific license test up to three (3) times, after the third time the test is at the Employees expense. With the prior approval of the Supervisor or Superintendent, employees attending meetings, seminars or conferences will be reimbursed for lodging, parking and mileage expenses in an amount to be determined by the Employer. The Commission shall pay for all continuing education and license renewal requirement for employees to maintain licensure.

Employees who are required to travel will be reimbursed for the actual cost of meals in an amount not to exceed the current IRS reimbursement rate. All meals while in travel status may be aggregated. The above schedule shall apply with the exception of the meals that are prepaid.

**23. CLOTHING ALLOWANCE.**

New employees shall receive a one-time allotment of non-safety clothing according to specification of the utility for consistency, preventability and identity. Employees shall receive a \$200 yearly reimbursement for non-safety required clothing. Clothing reimbursement may be carried from year to year but may not accrue over \$400 at any time. Any excess shall be forfeited. OSHA required safety clothing will be provided at no cost. OSHA required safety clothing will be replaced per utility policy.

Employees shall receive, at a minimum, one pair of safety shoes per calendar year.

**24. PENSION PLAN.**

The Employer shall make contributions to the Public Employees Retirement Association as required by law.

**25. DISCIPLINE.**

Employer will utilize the Tennnessen/Garrity/Loudermill procedures with investigations and disciplinary actions.

Employees, where it may be reasonable that there will be disciplinary action as a result of an investigation, shall have the right to union representation. If an employee declines union representation, it needs to be in writing with a copy forwarded to the union business agent. Union notification of disciplinary action will be sent to the Union Business Agent.

Employees may be disciplined or discharged for just cause. Disciplinary action should be progressive and follow the steps listed below. The employer may deviate from progressive discipline steps when the offense justifies the action.

1. Oral Warning - shall be removed after one year.
2. Written Warning - may be removed at the request of the employee after one year if there has been no further similar discipline.
3. Suspension
4. Discharge

26. **GRIEVANCE AND ARBITRATION.**

A. **Definitions:**

**Scope:** For the purposes of this Agreement, the words defined in this grievance procedure have the meanings given them.

**Bureau:** "Bureau" means the Bureau of Mediation Services.

**Days:** "Days" means calendar days.

**Employee:** "Employee" means any public employee who is employed in a position that is part of an appropriate unit for which an exclusive representative has been certified under Minnesota Statutes, Section 179A.12.

**Grievance:** "Grievance" means a dispute or disagreement regarding the application or interpretation of any term of this Agreement.

**Non-Probationary:** "Non-probationary" means an employee who has completed an initial probationary period.

**Party:** "Party" means either the exclusive representative or its authorized agent or the Employer and its authorized representative.

**Service:** "Service" means personal delivery or service by the United States Postal Service, postage prepaid and addressed to the individual or organization at its last known address. Service is effective upon deposit with the United States Postal Service, as evidenced by a postmark or dated receipt, or upon personal delivery.

- B. **Computation of Time.** In computing any period of time prescribed or allowed by the contract, the day or act or event upon which a period of time begins to run shall not be included. The last day of the time period shall be included unless it is a Saturday, Sunday or holiday.



- C. Step One. When an employee or group of employees represented by the exclusive representative has a grievance, the employee or agent of the exclusive representative shall attempt to resolve the matter with the employee's immediate supervisor within twenty-one (21) days after the employee, through the use of reasonable diligence, should have had knowledge of the event or act-giving rise to the grievance.

The supervisor shall then attempt to resolve the matter and shall respond in writing to the grievant and the agent of the exclusive representative within five (5) days after the grievance is presented.

- D. Step Two. If the supervisor has not been able to resolve the grievance or has not responded in writing within the time period provided in Step One, a written grievance may be served on the Public Utilities Superintendent by the exclusive representative. The written grievance shall provide a concise statement outlining the nature of the grievance, the provision(s) of the contract or the just cause situation in dispute, and a statement of the relief or remedy requested. The written grievance must be served on the Employer's representative within fifteen (15) days after the immediate supervisor's response was due in Step One.

The Employer's representative shall meet with the agent of the exclusive representative within five (5) days after service of the written grievance, and both parties shall attempt to resolve the grievance. The Employer's representative shall serve a written response to the grievance on the agent of the exclusive representative within five (5) days of the meeting. The response shall contain a concise statement of the Employer's position on the grievance and the remedy or relief the Employer is willing to provide, if any.

- E. Step Three. If the grievance is not resolved under Step Two, the exclusive representative may serve the written grievance upon the Public Utilities Commission or that person's designated representative within ten (10) days after the written response required in Step Two was due. An agent of the exclusive representative shall meet with the Public Utilities Commission or designee within five (5) days of the service of the written grievance, and they shall attempt to resolve the matter. The Public Utilities Commission or designee shall serve a written response to the grievance on the agent of the exclusive representative within five (5) days of the meeting.

- F. Mediation. If the grievance is not resolved under Step Three, either party may within ten (10) days of the final answer in Step Three submit the matter to the Bureau of Mediation Services, with written notice to the other party.

- G. Arbitration.

Referral to Arbitration: If the response of the chief administrative officer or designee is not received within the period provided in Step Three or following the final meeting in Mediation or is not satisfactory, the exclusive representative may serve written notice on the Employer of its intent to refer the case to arbitration within ten (10) days after the response required by Step Three is due, or following the final meeting in Mediation.

Selection of Arbitrator: Within ten (10) days of the service of written notice of intent to arbitrate, the Employer's Public Utilities Commission/Utilities Superintendent or designee shall consult with the agent of the exclusive representative and endeavor to mutually agree upon an arbitrator to

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hear and decide the grievance. If the parties do not agree upon the selection of an arbitrator, either party may request a list of impartial arbitrators from the Bureau. The parties shall alternately strike names from a list of five (5) names to be provided by the Bureau, until only one name remains, and the remaining name shall be the designated arbitrator. The determination of which party will commence the striking process shall be made by mutual agreement or a flip of a coin. If one party refuses to strike names from the list provided by the Bureau, the other party may serve written notice of this fact upon the Bureau, with a copy to the offending party. Unless it is confirmed that the parties have otherwise selected or agreed upon an arbitrator within three (3) days of service of the notice of refusal or failure to strike names, the Bureau shall designate one name from the list previously provided to the parties and the person so designated by the Bureau shall have full power to act as the arbitrator of the grievance.

**Arbitrator's Authority:** The arbitrator shall have no authority to amend, modify, add to, or subtract from the terms of the contract. The decision and award of the arbitrator shall be final and binding on both parties.

**Arbitration Expenses:** The Employer and the exclusive representative shall share equally the arbitrator's fees and necessary expenses. Cancellation fees shall be paid by the party requesting the cancellation, and any fees incurred as the result of a request for clarification shall be paid by the party requesting the clarification. Each party shall be responsible for compensating its own representatives and witnesses.

**Transcripts and Briefs:** Because arbitration is intended to provide a simple, speedy alternative to litigation processes, the use of transcripts and briefs should be considered only in exceptional circumstances. If a verbatim record is required, it may be prepared providing the party desiring the record pays the cost and makes a copy available to the other party and the arbitrator without charge. The arbitrator may maintain written notes of the hearing and may use an electronic recording device to supplement the note taking. These notes shall be considered the arbitrator's private and personal property and shall not be made available to the parties or another third party. If a recording device is used by the arbitrator to supplement the arbitrator's notes, the arbitrator shall retain the recording for a period of ninety (90) days following the issuance of the award.

**Release Time:** To the fullest extent feasible, the processing of grievances under this procedure shall be conducted during the normal business hours of the Employer. Employees designated by the exclusive representative shall be released from work without loss of regular non-overtime earnings as a result of their necessary participation in meetings or hearings held pursuant to this procedure, whenever such release is consistent with the ability of the Employer to conduct safe and reasonable operations. No more than three (3) employees shall be entitled to compensation for participation in a single meeting or hearing with respect to any one grievance.

**Waiver of Steps:** The parties may, by written mutual agreement, waive participation in the grievance steps and may similarly agree to extend the time limits established.

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Time Limits: A failure to raise a grievance within the time limits specified in Step One, or to initiate action at the next step of the procedure in the other steps within the time limits in these steps, shall result in forfeiture by the exclusive representative of the right to pursue the grievance. A failure of an Employer representative to comply with the time periods and procedures in the steps shall require mandatory alleviation of the grievance as requested in the last statement by the exclusive representative.

27. **ENTIRE AGREEMENT.**

The Employer and Union agree that this Agreement contains all of the terms and conditions of employment which have been arrived at and that the Employer shall not be obligated to provide or maintain any terms or conditions of employment not provided herein.

28. **TERM OF AGREEMENT.**

The Employer and the Union agree to the provisions herein contained shall be operative from January 1, 2018 through December 31, 2020.

If either party wishes to propose an amendment to this Agreement or a new Agreement to take place of this one upon its expiration date, they shall notify the other party in writing at least sixty (60) days prior to such expiration.

29.

**Sauk Centre Public Utilities  
Wage Schedule  
Jan 1, 2018 - Dec. 31, 2020**

|  | No License | Licensed Employees  |         |        |         |        |         | Total Possible Extra Pay |
|--|------------|---------------------|---------|--------|---------|--------|---------|--------------------------|
|  |            | Class D-D Base Wage | Class C |        | Class B |        | Class A |                          |
| W/WW Operator  |            |                     | W       | WW     | W       | WW     | WW      |                          |
| Jan. 1, 2018 (2.5%+ extra \$.15 for Class B & .40 for Class A) | \$26.01    | \$26.78             | \$0.35  | \$0.35 | \$0.50  | \$0.50 | \$0.75  | \$2.45                   |
| Jan. 1, 2019 (2.5%)  | \$26.66    | \$27.45             | \$0.35  | \$0.35 | \$0.50  | \$0.50 | \$0.75  | \$2.45                   |
| Jan. 1, 2020 (2.5%)  | \$27.33    | \$28.14             | \$0.35  | \$0.35 | \$0.50  | \$0.50 | \$0.75  | \$2.45                   |

**Lineman**  
 January 1, 2018  
 (2.5% + extra \$.15  
 for Book 3/4 & \$.40  
 for Journey)  
 January 1, 2019  
 (2.5%)  
 January 1, 2020  
 (2.5%)

| Base Wage | Completion of |        |        |        |            | Total Possible Extra Pay |
|-----------|---------------|--------|--------|--------|------------|--------------------------|
|           | Book 1        | Book 2 | Book 3 | Book 4 | Jour. Lic. |                          |
| \$33.73   | \$0.35        | \$0.35 | \$0.50 | \$0.50 | \$0.75     | \$2.45                   |
| \$34.57   | \$0.35        | \$0.35 | \$0.50 | \$0.50 | \$0.75     | \$2.45                   |
| \$35.43   | \$0.35        | \$0.35 | \$0.50 | \$0.50 | \$0.75     | \$2.45                   |

**A. New Hires:**

Wages for newly hired employees shall be subject to the following:

Without Experience - shall be paid at 80% of the wage rate, with increases to 85%, 90%, 95% and then 100% on the employee's anniversary date.

Credit will be given for previous applicable work experience and/or education.

Employees, including journeymen, shall be paid \$.50 less per hour than the wage rate until their successful completion of probation. Then they shall be granted the \$.50 increase to full wage.

New employees may be given credit for vacation accrual upon hire not to exceed the 5 year level of 4.615 hours per pay period. To move to the next level they must complete the number of years with Sauk Centre PUC to move to the next level, for example: after completing 14 years with Sauk Centre PUC they will move to the 6.153 level.

**B. Longevity:**

After ten (10) years of employment, employees will receive longevity pay of twenty-five cents (\$.25) per hour in addition to the above amounts. After twenty (20) years of employment, employees will receive longevity pay of twenty-five cents (\$.25) per hour in addition to the above amounts. After thirty (30) years of employment, employees will receive twenty-five cents (\$.25) per hour in addition to above amounts. The longevity pay is not included in the salary adjustments of the employees for wage increases.

increases.

30. **NON-DISCRIMINATION.**

The provisions of this Agreement shall be applied equally to all employees in the bargaining unit without discrimination as to age, sex, marital status, sexual preference, race, color, creed, or national origin. The Union shall share equally with the Employer the responsibility for applying this provision of this Agreement.

IN WITNESS WHEREOF, the parties have signed this Agreement

on December 12, 2017.

SAUK CENTRE PUBLIC UTILITIES  
COMMISSION, Employer

By: Ted Spear  
It's President of the Sauk,  
Centre Public Utilities  
Commission

By: Paul Hoesehen  
It's Superintendent of the  
Sauk Centre Public Utilities Commission

AMERICAN FEDERATION OF STATE,  
COUNTY & MUNICIPAL EMPLOYEES,  
COUNCIL 65, LOCAL 748

By: Justin Amick  
It's Union Steward

By: Kyle Smith  
It's Staff Representative

