

K# 9806

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AGREEMENT BETWEEN

INTERNATIONAL UNION OF OPERATING ENGINEERS
LOCAL 428

&

NORTHERN PIPELINE CONSTRUCTION COMPANY

PREFACE

THIS AGREEMENT is executed as of March 20, 2015 between Northern Pipeline Construction Company, (NPL/Employer) and the Operating Engineers, Local 428 (Union).

ARTICLE 1

PURPOSE AND RECOGNITION

Section 1. This agreement is entered into by and between the parties hereto in a mutual effort to determine the hours, wages, fringes and other conditions of employment and to adopt measures for the settlement of differences and monitoring a cooperative relationship so that the Employer may have sufficient capable workmen and the workmen may have as much continuous employment as possible, without interruption by strikes, lockouts, or other labor-management trouble. The Employer recognizes the Union as the sole collective bargaining agency with respect to hours, fringes, wages, and other conditions of employment, for all its workmen-covered by the terms and conditions of this agreement, employed or to be employed by the Employer for the installation of natural gas in Arizona.

Section 2. A pre-job conference shall be held at the request of the Union or Employer at a mutually agreed time prior to the start of any job project.

Section 3. Employers covered by the terms and conditions of this agreement shall not include technical employees, engineering employees, clerical employees, timekeepers, guards, and supervisors.

ARTICLE II

GENERAL EMPLOYMENT CONDITIONS

Section 1. Workmen are to be paid the wages applicable to the work performed and in return, the Employer is to receive a fair and honest days' work without any slowing or stoppage of work.

Section 2. The Employer is to be the sole judge as to the satisfactory performance of employees. Safety precautions or other reasonable rules and regulations prescribed by the Employer for the health, safety, and protection of his employees shall be posted and employees shall abide by such rules and regulations.

Section 3. The Employer shall have sole jurisdiction of the management and operation of its business, the direction of its workforce, the right to maintain efficiency on its jobs by the use of all machinery, tools or labor saving devices, and the right of Employer to determine the number of employees required for each job and to hire and discharge employees subject to the provision of this agreement. It is agreed that the rights enumerated do not conflict with other provisions of this agreement.

ARTICLE III

CHECK OFF

Section 1. Upon presentation of the proper authorization form normally used by the local union, executed by the individual employee, the Employer agrees to deduct from the wages of such employee union initiation fees, dues and/or Agency Fee, and remit to that Local Union the amount deducted.

Section 2. Working Assessment

The above named employer and any employer signatory to the Articles of Agreement between the International Union of Operating Engineers local 428 will deduct each week, Union working dues and assessments in the amount of \$0.10 per hour worked until May 31, 2014 and then \$0.20 per hour worked after June 1, 2014. These deductions shall be made from all wages earned and for all hours worked in the State of Arizona upon referral from the Union. The authorization shall be irrevocable for one year from execution date hereof or until the expiration of the applicable contract between the contractor and the Union, whichever is the lesser, and shall automatically renew itself for successive yearly or contract periods, whichever is the lesser.

ARTICLE IV

REPRESENTATION

Section 1. The Unions may select one of its members who shall be recognized as Job Steward. The Steward shall perform his duties the same as any other worker, and shall not be discharged for Union activities. The Steward shall be allowed a reasonable amount of time during the working hours to perform the work of the Union, but shall not

abuse this privilege. A Steward may not be discharged without forty-eight (48) hours' previous notice to the Union.

Section 2. The Business Representative of the Unions shall have access to any job at any time.

ARTICLE V

SAFETY AND WORKING RULES

Section 1. The time the employees shall start at the job site and shall end at quitting time on the site; however, the lunch period shall be excluded.

Section 2. The payday shall be once each week. Employees are to be paid at the end of their regular shift, whether working in the Employer's yard or in the field. When employees are laid off, or discharged, they must be paid wages due them of lay off or discharge.

Section 3. Employer shall have the right to make and revise from time to time safety and working rules which are not inconsistent with above, or any other of the terms of this agreement, or with existing laws.

Section 4. The furnishing of tools or equipment shall not be condition of employment. Where special safety equipment is required by the circumstances under which the employee is working, it shall be the responsibility of the Employer to furnish such equipment at no cost to the employee.

Section 5. There shall be no inequitable minimum amount of work which an employee may be required to perform during the workday, and there shall be no restrictions imposed against the use of any type of machinery, tools or labor saving devices.

Section 6. At the discretion of Employer, employees may be changed from one classification to another.

ARTICLE VI

PENSION, HEALTH & WELFARE, VACATION

Section 1. Each Employer signatory to this agreement also agrees to permit representatives of the participating fringe benefit funds to examine payroll records due to the funds, providing that such examination of records shall not be more frequent than one every three (3) calendar years unless the Trustees have evidence of failure to report or under reporting and agrees to be bound by the terms and provisions of said Trust Agreements and/or bona fide Local Union negotiated agreements covering the collection of fringe benefits.

Section 2. All such contributions due and owing to such funds shall be deemed, and are considered to be Trust Funds.

Section 3. Employers who accept and sign this agreement also agree to abide by and incorporate by reference the agreements and declarations of Trust for the Laborers' and Operating Engineers Utility and Vacation Trust Fund.

Section 4. No employee shall have the option to receive wages or any other payment by an employer in lieu of benefits provided for by the agreements and declarations of trust. No employee shall have the option to assign any benefits to which he may be or become entitled under the agreements and declaration of trust, or to receive a cash consideration in lieu of such benefits either upon termination of the trust therein created or through severance of employment or otherwise.

Section 5. In the event that the Union receives written notice from one or more of the Trustees or any authorized agent or representative of the Trustees of any fund that an Employer has failed to pay in full any sum due any Trust Fund under previous article and that such failure has continued fifteen (15) days, the Union may, after at least one (1) weeks' notice in writing to the Employer's main office, direct the employees of such Employer to discontinue or refuse to work for such Employer until all sums due from that Employer under the appropriate section, have been paid in full. The remedy provided for in this section shall be in addition to all other remedies available to the Union and to the Trustees, and may be exercised by the Union, anything in the collective bargaining agreement to the contrary notwithstanding.

Section 6. The Trustees, in their own names as Trustees, may institute or intervene in any proceeding of law or equity or in bankruptcy for the purpose of effectuating the collection of any sums due to them from the Employer under the provisions of previous article.

Section 7. Payment of sums due under previous article shall be made to the Trustees in accordance with this Agreement. If payment of such sums is made later than the 25th of the following month, the Employers agree to add twenty percent (20%) to the amount due as liquidated damages.

Section 8. If the Trustees incur liabilities for attorneys' fees in order to assist them in the collection of delinquent payments due under previous article and the twenty percent (20%) damages under Section 7, the Employer agrees to pay, in addition to such sums and liquidated damages, reasonable attorneys' fees incurred by the Trustees.

Section 9. If a pension plan is negotiated, the above provisions will apply.

ARTICLE VII

HOURS OF WORK, OVERTIME AND HOLIDAY PAY

Section 1. At the beginning of a job or project, starting times for that project (or specific unit of the project) shall be established by the Contractor.

Section 2. If for some reason those starting times are to be changed, employees affected must be given notice of change of work shift before the end of their work shift preceding this change.

Section 3. The work week shall begin on Monday and shall end on Sunday, five (5) consecutive days; all hours worked by an employee in excess of forty (40) straight-time hours per week, and all hours worked on Sunday shall be at the rate of time and one-half the straight-time rate. If an employee's work week begins on Sunday at 8:00 P.M. or after, the employee shall be paid at the rate of straight-time.

Section 4. Work performed on New Year's Day, Memorial Day, July Fourth, Labor Day, Thanksgiving Day and Christmas Day, shall be paid for at double the straight-time rate.

Section 5. If one of the holidays named in the paragraph above falls on Sunday, it shall be observed on Monday. Accordingly, work performed on Monday will be paid for at double the straight-time rate. If no work is performed on Monday, no pay shall be required.

ARTICLE VIII

REPORTING TIME PAY

Section 1. After a person has been hired and ordered to report to work at the regular starting time and no work is provided for them on the day they have so reported, they shall receive pay equivalent to two (2) hours at the rate applicable for that day. This pay shall not be provided if they have subsequently been ordered not to report to work on that particular day. If the person has been working regularly, and the Employer has failed to

notify them not to report to work before leaving their residence, they shall be entitled to one (1) hour reporting time pay at the applicable rate for that day.

Section 2. Employees shall furnish Employer with current telephone or other contact at the start of each job, and advice Employer of any subsequent change or changes in such contact during the course of the job.

Section 3. Any person who reports to work, and for whom any work is provided, shall receive not less than two (2) hours' pay, and shall be paid for actual time worked beyond the two (2) hours.

Section 4. It is expressly provided, however, that if the employee leaves the job site without permission of Employer, or when a person refuses to work or continue to work, or work stoppage conditions brought about by a third party or parties prevents, in the opinion of the Employer, the performance of any work, or the continuance of any work once started, no pay for time not actually worked shall be required under any of the above enumerated conditions.

Section 5. Where notification of the employees is required under this agreement to the effect that work shall not be performed on a particular day, notification of such fact to the employee shall be sufficient notification.

ARTICLE IX

WORK STOPPAGES

Section 1. There shall be during the term of this agreement, and as to any work covered hereby, no slow down, no stoppage of work, no strike, no sympathy strike, and no lockout over jurisdictional or other disputes, or over the terms and conditions of this agreement; it being the good faith intention of the parties hereto that, by execution of this agreement, industrial peace shall be brought about and maintained; that the parties shall cooperate to the end that work may be done efficiently and without interruption. In case of any violation of this agreement, the Employer and Unions shall be notified immediately.

Section 2. It shall not be a violation of this agreement for a strike or work stoppage over nonpayment of wages and/or fringe benefits. In the case of fringe benefits, a 72-hour proper written notification from the Unions will be required.

ARTICLE X

WAGE RATES AND CLASSIFICATIONS

Section 1. In order to have uniform wage rates and fringe benefits contributions, it is agreed that the wage rates set forth in the attached appendix showing the rates applicable, shall be recognized as the rate and contributions to be paid under this agreement.

Section 2. Fringe benefits contributions are to be made on all actual hours worked.

ARTICLE XI

PROCEDURE FOR SETTLEMENT OF GRIEVANCES AND DISPUTES

Section 1. Grievances, disputes or differences of opinion between the Employers' supervisory personnel and employees or Union Representatives in the field shall be settled on the job, whenever possible, provided that such settlement shall not vary any of the wages, terms or conditions of this agreement.

Section 1a. Disputes which cannot be adjusted between the job superintendent and the Union Representative within five (5) working days after they arise, shall be referred to the Local Union Business Manager and NPL Area Manager and they shall take such steps as they deem necessary to adjust such differences of opinion or dispute.

Section 2. Disputes which cannot be resolved in Step 1a. shall be referred to the President of the Employer and the designated Union Representative and they shall take such steps as they deem necessary to adjust such differences of opinion or dispute.

Section 3. If, within forty-eight (48) hours, no adjustment settlement is resolved by the procedure noted above, the matter shall immediately be referred, in writing, to an Arbitration Board consisting of one (1) member appointed by the Employer and one (1)

member appointed by the Union, which appointments shall be made within forty-eight (48) hours after referral. A neutral Chairman will be selected by these appointees. In the event that the two (2) Arbitrators, so appointed, fail to agree within forty-eight (48) hours on the selection of a neutral Chairman, the parties shall request the Director of the Federal Mediation and Conciliation Service to appoint a chairman as soon as it is reasonably possible.

Section 4. The Arbitration Board shall not have the power to amend, add to, or alter the provisions of the agreement, but shall, within five (5) days of appointment of a Chairman, render a decision based on the evidence submitted by the parties, which decision shall be consistent with the terms and provisions of this Agreement. The majority or unanimous decision of the Arbitration Board shall be binding upon both parties. In the event, however, that either party fails to comply within three (3) days with a decision of the Arbitration Board, the provisions of this Section shall cease to be binding upon the aggrieved parties.

Section 5. Each of the parties shall bear the expense of its appointed Arbitrator and the parties shall jointly and equally bear the expense, if any, of the Chairman.

ARTICLE XII

TERM, TERMINATION & RENEWAL

Section 1. Effective Date. It is further agreed that the classifications, wage rates, and working rules contained herein shall be applicable in the area for work covered by this agreement; and shall be effective on **March 20, 2015**.

Section 2. Length of the Agreement. This agreement shall remain in effect from the date of **March 20, 2015 through March 20, 2017**. Either party desiring to terminate the agreement or change its terms shall notify the other in writing not more than one hundred twenty (120) days, nor less than sixty (60) days prior to **March 20, 2017**. If such notice is not given, this agreement shall be renewed for the period of one (1) year, and from year to year thereafter, until terminated at the end of a yearly period by such notice in writing by either party given to the other not more than one hundred twenty (120) days, nor less than sixty (60) days before the end of such yearly period.

ARTICLE XIII

RECOGNITION AND DISPATCHING OF WORKMEN – LOCAL 428 PERSONNEL

Section 1. It is recognized that because of the specialized nature of underground utility work, it is necessary that Employer have available experienced and qualified employees, and that both parties shall cooperate to the end that all of the employees hired hereunder shall be capable of performing such utility construction work in an experienced and safe manner.

Section 2. After employment of a few Key Men, the Employer agrees to utilize valid nondiscrimination hiring practices in the local area, not inconsistent with the terms of this

agreement. The Employer further agrees to hire employees covered by this agreement through the Local Unions having territorial jurisdiction, subject to the provisions contained herein. The Unions agree to notify the Employer from time to time of the existence of procedures to be followed in utilizing such hiring procedures.

Section 3. The selection of applicants for referral shall not be based on, or in any way affected by, Union membership, by-laws, constitutional provisions, or any part, aspect or obligation of union membership, policy or requirement.

Section 4. Employer and Unions agree that neither of them shall take any action or refuse to take any action which shall discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment because of such individual race, color, religion, sex or natural origin.

Section 5. The need for determination and designation of foremen is the sole responsibility of Employer.

Section 6. The Unions agree to furnish at all times, upon the Employer's request, a sufficient number of workers to meet the Employer's manpower needs.

Section 7. The Employer shall be the sole judge as to the competency of any applicant for employment. If requested, the Employer will confirm any verbal rejections of applicants for employment by a letter or telegram to the local union involved.

Section 8. The Unions must refer employees requested by the Employer at the start of a job within forty-eight (48) hours of the receipt of the Employer's request. The Unions must refer employees requested by the Employer after a job has started within twenty-four (24) hours. Whether referred locally or otherwise, if the Union does not comply with these conditions, or if the Union is unable to refer or supply qualified employees, the Employer shall immediately notify the Union when such workmen are hired, and shall make arrangement for proper referral.

Section 9. Once the original crew has been employed, in conformity with this agreement, Employer shall have the right to keep such crew on all work throughout the territory covered by the particular job for which the pre-job conference was held, regardless of local union jurisdiction.

WAGE RATES AND CLASSIFICATIONS

ARIZONA

| | Current | <u>2015</u> | <u>2016</u> |
|-------------|---------|-------------|-------------|
| UTILITY III | | \$ 14.72 | \$ 14.97 |
| UTILITY IV | | \$ 15.57 | \$15.82 |
| UTILITY V | | \$ 17.51 | \$17.76 |
| UTILITY VI | | \$ 20.86 | \$21.11 |

Leadman/Foreman shall receive \$1.00 per hour over their current wage rate.

CLASSIFICATION

JOB DESCRIPTION

| | |
|----------------------------|---|
| Utility Worker III | Driver/Construction Specialist I Utility Caulker/Rigger/Signal Man/Pipeline/Construction Specialist II |
| Utility Worker IV | Construction Specialist III Utility Service Technician |
| Utility Worker V | Utility Welder Acetylene Utility Welder Electric |
| Construction Specialist IV | Utility Worker IV / Utility Electrician **(1255 Vermeer Trencher / 2500 Trench Tech 350 Cat Excavator / Loader over 6 yd) or Equipment of equivalent size and complexity** / Sideboom, larger than Cat 561 or equivalent, when on bid work. |

FRINGE BENEFIT CONTRIBUTIONS

March 20, 2015

Health & Welfare - \$2.40

Vacation – No Contribution

Whatever the Dues amounts are, they will be deducted through the Dues Check Off.
All Health & Welfare increases will be picked up by the Company.

Company Will Provide 401K -----

For the Contractor:
NORTHERN PIPELINE
CONSTRUCTION COMPANY

By *Alastair Goff*
Title: *Regional Manager*
Date: *4-2-15*

For the Union:
INTERNATIONAL UNION OF
OPERATING ENGINEERS
LOCAL # 428

By *Michael P. Lee*
Title: *Business Manager*
Date: *4-1-15*