

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

BOARD MEETING
AGENDA ITEM SUMMARY

March 15, 2002

ACTION REQUIRED

AGENDA ITEM NO. IX.B.

☐ Information Only
☒ Motion
☐ Resolution
☐ Executive Session
☐ Other

TOPIC

Collective Bargaining Agreement extensions.

DISCUSSION

IBEW Local 1547 has proposed to extend each of its three collective bargaining agreements with Chugach Electric Association, Inc. (Generation Plant Personnel, Office and Engineering Personnel, and Outside Plant Personnel) ("Agreements") through June 30, 2006 as provided in the attached three Letters of Agreement signed by Gary Brooks, Business Manager, Local 1547. The Agreements currently expire June 30, 2003. The Board Finance Committee considered these proposed extensions at its February 18 and March 12 meetings, and at its March 12 meeting voted to recommend acceptance of the proposals by the Board. The Operations Committee will meet to consider the proposals on March 19.

GENERAL MANAGER'S RECOMMENDATION

Motion: Recommends the Board accept the IBEW's proposals to extend the three collective bargaining agreements through June 30, 2006.

International Brotherhood of Electrical Workers

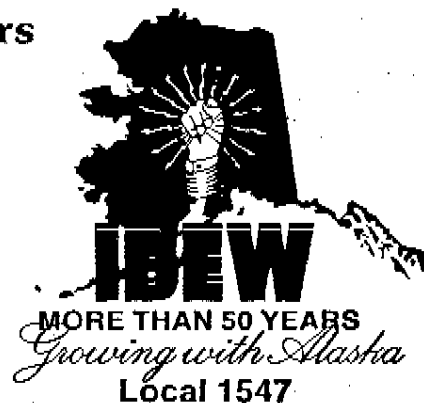
Local 1547

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ANCHORAGE, ALASKA 99503-4038

TELEPHONE DISPATCH FAX
(907) 272-6571 (907) 276-1547 (907) 777-7255

GARY BROOKS
BUSINESS MANAGER - FINANCIAL SECRETARY

KNUTE ANDERSON
PRESIDENT



December 17, 2001

Gene Bjornstead, General Manager
PO Box 196300
Anchorage, AK 99518

Dear Gene,

Please allow me to congratulate you on your impending retirement from Chugach Electric Association. Your direction as General Manager has provided stable and reassuring leadership – something we do not always enjoy with our electric utility employer partners. I have been reassured to know that under your watch – your word is your bond, and although we may not always agree on all issues, you have relied on facts as the basis for decision making. On many occasions we have respectfully agreed to disagree and emerged from the process with our relationship intact and our mutual regard, in my opinion, unscathed. The trust and respect I think we have developed over the years has served both of our respective memberships. I applaud your leadership and wish you to know that you will be sorely missed.

Which leads me to the second purpose of my letter. As you are fully aware – tensions can run high and rumors rampant when there is a change at the helm of any operation – a situation that is exacerbated, in my opinion, by the current uncertainties and unrest worldwide and with the American economy. I would like to suggest that that a new CEA General Manager might very well wish to get a handle on the operations and relationships that currently exist within the utility industry in Alaska as well as between the IBEW and CEA before embarking on negotiations for a successor agreement to the three current collective bargaining agreements (CBA's) set to expire in June of 2003.

It is in that spirit that I propose we consider extending the current CBA's for a minimum of two years. Such an approach would allow things to settle before the nerve-wracking and disruptive process of contract negotiations comes around. By extending the current CBA's, Chugach would be sending a strong message of continuity and stability to the workforce – a message that would go a long way in smoothing the transition. Creating a stable work environment will ultimately result in a confident and productive workforce – free from the anxiety of second guessing new management's purpose and style.

I would very much appreciate the opportunity to meet with you and further explore the possibilities of extending the current CBA's. Please give me a call if you are interested in discussing the matter further.

Sincerely,



Gary Brooks
Business Manager

GB/cea

Eugene N. Bjornstad, P.E.
General Manager



January 29, 2002

Gary Brooks, Business Manager
IBEW -- Local 1547
3333 Denali Street
Anchorage, AK 99503

Dear Gary:

The recent proposals on extending the terms of the labor agreements for three years were presented to the Chugach Board of Directors on January 16. After some discussion, the Board decided to refer further consideration to the Finance and Operations Committees. Each committee will discuss the proposals and make a recommendation to the entire Board.

The Board appreciates the initiative by IBEW Local 1549 in making these proposals and realizes that timely and good faith consideration is necessary for future relationships. With that in mind, I will try to keep you informed of any scheduled Board meeting agenda items concerning the proposals; but I do not anticipate any action at the February 2002 Board meeting.

If you need any other information, please feel free to call.

Sincerely,

A handwritten signature in dark ink, appearing to read "Eugene N. Bjornstad".

Eugene N. Bjornstad
General Manager

Copy: B. Davison

Letter of Agreement

By and Between
Chugach Electric Association, Inc
And
I.B.E.W. Local Union No. 1547

This letter will confirm the understanding reached that the GENERATION PLANT PERSONNEL AGREEMENT between Chugach Electric Association, Inc., (Employer) and the International Brotherhood of Electrical Workers Local 1547 (IBEW) is extended through June 30, 2006.

ARTICLE 16, SECTION 16.2 WAGES

- A. The July 1, 2002 scheduled wage increase shall remain in effect.
- B. Effective July 1, 2003, cost of living adjustment based on 90% of the Anchorage CPI-U, as calculated from the end of the second half of the year 2002 to the end of the second half of the year 2003 with a minimum increase of 1% and a maximum increase of 4%. The adjustment shall be made to the 100% classifications set forth in Section 13 of the Collective Bargaining Agreement; all other classifications set forth in Section 13 shall be adjusted accordingly to maintain the percentage differentials set forth therein from the 100% classifications.
- C. There shall be no wage increase during the second year of the extension July 1, 2004 to June 30, 2005.
- D. Effective July 1, 2005, cost of living adjustment based on 90% of the Anchorage CPI-U, as calculated from the end of the second half of the year 2004 to the end of the second half of the year 2005 with a minimum increase of 1% and a maximum increase of 4%. The adjustment shall be made to the 100% classifications set forth in Section 13 of the Collective Bargaining Agreement; all other classifications set forth in Section 13 shall be adjusted accordingly to maintain the percentage differentials set forth therein from the 100% classifications.

Year	2003	2004	2005
Generation Plant Personnel Agreement	CPI -1-4%	0%	CPI -1-4%
Pension - ALL **	\$3.67	\$3.67	\$3.67

** Pension could increase with the Movement of Monies Language.

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MOVEMENT OF MONIES


For the duration of this extension the bargaining unit shall be allowed the movement of monies, once per calendar year (i.e., wages to benefits or benefits to benefits), so long as the following criteria are met:

- 1) The negotiated package price does not change;
- 2) The defined benefit pension plan contribution rate does not go below Three Dollars and Sixty-Seven Cents (\$3.67) per compensable hour.
- 3) The trustees of the respective plans approve all proposed changes.

The authorized representatives of the Employer and the Union have executed this document this _____ day of January 2002.

IBEW Local Union No. 1547

Chugach Electric Association, Inc.

By 
Gary Brooks
Business Manager, Local 1547

By _____
Eugene N. Bjornstad
General Manager

Letter of Agreement

By and Between
Chugach Electric Association, Inc
And
I.B.E.W. Local Union No. 1547

This letter will confirm the understanding reached that the OUTSIDE PLANT PERSONNEL AGREEMENT between Chugach Electric Association, Inc., (Employer) and the International Brotherhood of Electrical Workers Local 1547 (IBEW) is extended through June 30, 2006.

APPENDIX A. JOB CLASSIFICATIONS AND WAGE RATES

- A. Effective July 1, 2002 scheduled wage increase shall remain in effect.
- B. Effective July 1, 2003, cost of living adjustment based on 90% of the Anchorage CPI-U, as calculated from the end of the second half of the year 2002 to the end of the second half of the year 2003 with a minimum increase of 1% and a maximum increase of 4%.
- C. There shall be no wage increase during the second year of the extension July 1, 2004 to June 30, 2005.
- D. Effective July 1, 2004, cost of living adjustment based on 90% of the Anchorage CPI-U, as calculated from the end of the second half of the year 2003 to the end of the second half of the year 2004 with a minimum increase of 1% and a maximum increase of 4%.

Year	2003	2004	2005
Outside Plant Personnel Agreement	CPI -1-4%	0%	CPI -1-4%
Pension - ALL **	\$3.67	\$3.67	\$3.67

** Pension could increase with the Movement of Monies Language.

MOVEMENT OF MONIES

For the duration of this extension the bargaining unit shall be allowed the movement of monies, once per calendar year (i.e., wages to benefits or benefits to benefits), so long as the following criteria are met:

- 1) The negotiated package price does not change;

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- 2) The defined benefit pension plan contribution rate does not go below Three Dollars and Sixty-Seven Cents (\$3.67) per compensable hour.
- 3) The trustees of the respective plans approve all proposed changes.

The authorized representatives of the Employer and the Union have executed this document this _____ day of January 2002.

IBEW Local Union No. 1547

Chugach Electric Association, Inc.

By 
Gary Brooks
Business Manager, Local 1547

By _____
Eugene N. Bjornstad
General Manager

Letter of Agreement

By and Between
Chugach Electric Association, Inc
And
I.B.E.W. Local Union No. 1547

This letter will confirm the understanding reached that the current OFFICE AND ENGINEERING PERSONNEL AGREEMENT between Chugach Electric Association, Inc., (Employer) and the International Brotherhood of Electrical Workers Local 1547 (IBEW) is extended through June 30, 2006.

APPENDIX B - STEP LEVELS AND WAGE RATES

- A. The July 1, 2002 scheduled wage increase shall remain in effect.
- B. Wage Rate Adjustment, July 1 2003: the current hourly wage rate for the Administrative Secretary position shall be increased by 3%. All other classifications shall be adjusted accordingly to maintain the percentage differentials previously established.
- C. There shall be no wage increase during the second year of the extension July 1, 2004 to June 30, 2005.
- D. Wage Rate Adjustment, July 1 2005: the current hourly wage rate for the Administrative Secretary position shall be increased by 3%. All other classifications shall be adjusted accordingly to maintain the percentage differentials previously established.

Year	2003	2004	2005
Admin Secretary	3%	0%	3%
Pension - ALL **	\$2.85	\$2.85	\$2.85

** Pension could increase with the Movement of Monies Language.

MOVEMENT OF MONIES

For the duration of this extension the bargaining unit shall be allowed the movement of monies, once per calendar year (i.e., wages to benefits or benefits to benefits), so long as the following criteria are met:

- 1) The negotiated package price does not change;

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- 2) A majority of those employees in the categories of grade levels, listed below, elect to do so;
 - a) Grades 4 - 5 - 6 - 7
 - b) Grades 8 - 9 - 10 - 11
- 3) The defined benefit pension plan contribution rate does not go below two dollars and eighty-five cents (\$2.85) per compensable hour;
- 4) The trustees of the respective plans approve all proposed changes; and

The authorized representatives of the Employer and the Union have executed this document this ____ day of January 2002.

IBEW Local Union No. 1547

Chugach Electric Association, Inc.

By


Gary Brooks

Business Manager, Local 1547

By


Eugene N. Bjornstad
General Manager