Summary of the 2016 Local 1-2 Collective Bargaining Contract

Four (4) year contract effective from June 26, 2016 through June 20, 2020

General Wage and Merit Increases

<table>
<thead>
<tr>
<th>Date</th>
<th>General</th>
<th>Merit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective June 26, 2016</td>
<td>2.75%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Effective June 25, 2017</td>
<td>2.75%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Effective June 24, 2018</td>
<td>2.75%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Effective June 23, 2019</td>
<td>2.75%</td>
<td>0.25%</td>
</tr>
</tbody>
</table>

- Employees at maximum rate of pay for their title will be evaluated for the merit increase annually.
- Employees below the maximum pay rate who earned at least one progression in the past year will be granted the merit portion of the increase. No performance evaluation is required.
- Employees will receive an electronic copy of their merit evaluations.

Progressions
- Employees below the maximum pay rate will continue to be eligible for progression increases at the rate of $0.52 per hour in October and February.
- The time frame for preparation of performance evaluations has been increased by four weeks to allow supervisors more time to provide feedback to their employees.
- Employees will receive an electronic copy of the performance evaluations.

Wage Acceleration
- The program’s expiration date has been eliminated; it is no longer a pilot program.
- Each July, employees with eight (8) years in a top title will be brought to the maximum pay rate of that title if they earned sixteen (16) progressions.
- Employees with twelve (12) years in titles without a promotional career path will be brought to maximum pay rate if they earned the last sixteen (16) progressions.
- A “Family of Titles” concept was added to encourage employees to seek promotions and additional responsibilities (e.g., Mechanic A to Lead Mechanic). Employees with 8 (or 12) years of service in a job family will be brought to the maximum pay rate of the lower title if they earned sixteen progressions.

Health Care Coverage Changes
- Increased and structured weekly contributions to encourage employees to choose the plan that is right for them.
- Increased deductibles, co-payments, and out-of-pocket limits to encourage the use of efficient health care providers.
• Introduced an Essential Health Plan option with a nominal weekly contribution.
• Will eliminate the most expensive HMO in 2018.
• Enhanced wellness initiatives.

New Thrift Savings Plan (401(k)) Features
• Starting in 2018, employee contributions and the company match will be based on a percentage of employee’s straight-time pay instead of cents per hour.
• Starting in 2018, new employees and employees currently not participating will be automatically enrolled in the Thrift Saving Plan (employees may opt out).
• Starting In 2019, employee contributing less than 10% will have their contribution automatically escalated by 1.0% a year until participation reaches 10% of base pay (employees may opt out).
• Annually, the company match to the employee’s contribution will increase.
• Introduced a Roth 401(k) employee contribution option.

Retirement Benefits
• Allow employees to participate in the company-funded Defined Contribution Pension Formula.
• Employees hired after June 26, 2016 can choose between a Cash Balance Pension Formula and Defined Contribution Pension Formula.
• Employees in Cash Balance Pension Formula can transfer to the Defined Contribution Pension Formula.

Advanced Metering Reading (AMI)
• Established a provisional job title, with limited benefits, to perform cycle reading while new AMI meters are being installed
• Committed to provide employment opportunities to current employees performing cycle reading who will be displaced by the AMI project

Other Agreements
• Created 14 new job titles
• Committed to work together with union to hire veterans
• Enhanced the grievance procedure
• Restructured the clerical job family
• Provided more flexibility for pregnancy-related sick leave
• Provided Parental Leave for the non-birth parent
• Piloted two Pay Incentive Programs in Customer Operations