

May 1, 2008 - April 30, 2010

AGREEMENT

between

**MICHIGAN DISTRIBUTION
CONTRACTORS
ASSOCIATION**

and

**INTERNATIONAL UNION OF
OPERATING ENGINEERS
Local No. 324, 324-A, 324-B
and 324-C, AFL-CIO**

37450 Schoolcraft Rd., Suite 110
Livonia, Michigan 48150

I N D E X

	Page
Term of Agreement	1
I Employer Representation	1
II Coverage	2
III Jurisdiction	3
IV Recognition	3
V Hiring Procedure	4
VI Checkoff of Initiation Fees	4
VII Stewards	5
VIII Union Representatives Permitted on Jobs	6
IX Job Safety	6
X General Provisions	6
XI Equal Employment Opportunity ...	7
XII Subcontracting	7
XIII Classifications	7
XIV Hourly Wages	9
XV Market Recovery	14
XVI Equipment Classifications	14
XVII Oilers on Cranes-Truck and Crawler Type	17
XVIII Greasing Time	18
XIX Pay Provisions: Straight Time, Overtime, Shift Work, Saturdays, Sundays and Holidays	18
XX Reporting Time - Waiting Time	19
XXI Employee Changing Classification	20
XXII Supervisory Personnel	20
XXIII Regular Payday	20
XXIV Discharge or Layoff	21
XXV Equal Treatment	21

I N D E X (Continued)

	Page
XXVI Workers Compensation Insurance and Unemployment Compensation Insurance	22
XXVII Operating Engineers Local 324 Health Care	22
XXVIII Pension	23
XXIX Defined Contribution Plan	24
XXX Retiree Benefit Fund	25
XXXI Labor Management Education Committee	25
XXXII Industry Advancement Fund	27
XXXIII Collection Charges and Violations of Payments	27
XXXIV Apprenticeship and First Aid Training Program	28
XXXV Apprenticeship Training Fund Contributions	29
XXXVI Vacation and Holiday Fund	29
XXXVII Guaranty of Agreement Liability Operating Engineers Local No. 324 Security Deposit Fund	29
XXXVIII Arbitration	31
XXXIX Jurisdictional Procedure	34
XL Complaints	35
XLI Notifying the Union of Job Awards	35
XLII Invalidity	36
XLIII Memorandum of Understanding	36
XLIV Renewal or Change	36
XLV Signatory Parties to this Agreement	37

TERM OF AGREEMENT

THIS AGREEMENT, shall become effective on the first day of May, 2008, between the MICHIGAN DISTRIBUTION CONTRACTORS ASSOCIATION of PO Box 66, Grand Ledge, Michigan, hereinafter called the Association, for and on behalf of its members and such other Distribution Contractors who execute an Acceptance of the Terms and Provisions of this Agreement, hereinafter called the Employer, Employers or Company, as party of the first part, and the INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL No. 324, 324-A, 324-B, 324-C, AFL-CIO, hereinafter called the Union, as party of the second part.

WITNESSETH:

That, WHEREAS, the parties hereto desire to stabilize employment in the Gas Distribution and Duct Installation Industry, by agreeing upon wage rates, hours and conditions of employment:

NOW, THEREFORE, the undersigned Association and Union in consideration of the mutual promises and covenants herein contained, agree as follows:

SECTION I

Employer Representation

It is understood that the Association is acting only as an agent in the negotiation of this Agreement and that it is agent only for those individuals, partnerships, and corporations who have authorized it to so act, and in no event shall it be bound as principal or be held liable in any manner for any breach of this Agreement by any of the Employers for whom it is acting or any employee of such Employers. It is further agreed and understood that the liabilities of the Employers who

have authorized the negotiation and execution of this Agreement are several and not joint.

SECTION II

Coverage

A. Effective November 1, 1968, this Agreement shall apply to, and cover all Gas Distribution and Duct Installation work coming within the jurisdiction of the Union in the State of Michigan. The following six (6) counties, St. Clair, Macomb, Oakland, Wayne, Monroe, and Washtenaw shall be known as Area 1, and the remainder of the State of Michigan, including the Upper Peninsula shall be known as Area 2; and such work is more fully described to cover the construction, installation, treating and reconditioning of pipelines transporting gas vapors within cities, towns, subdivisions, suburban areas, or within private property boundaries, up to and including private meter settings of private industrial, governmental or other premises, more commonly referred to as Distribution Work, starting from the first metering station, connection, similar or related facility, of the main or cross country pipeline and including duct installation.

B. See Schematic-Separation drawing of mainline, distribution and building trades attached to this contract and considered an integral part of this contract.

C. If and when the Employer shall perform work covered by this Agreement under its own name, under the name of another employer, as a corporation, company, partnership, enterprise, or any combination thereof, including a joint venture, this Agreement shall be applicable to all such work performed under the name of the Employer or under the name of any other corporation, company or combinations or joint venture.

SECTION III

Jurisdiction

A. The jurisdiction of the Union is recognized by the Employers to be the operation of all power driven or power generating construction equipment used in the construction and installation of gas distribution lines and pipes, including duct.

B. The Employer hereby recognizes and acknowledges that the Union is the exclusive representative of all employees in the classifications of work covered in Section XVI of this Agreement for the purpose of collective bargaining; and to assign such type of work to Operating Engineers, Mechanics, Oilers and Apprentice Engineers rather than any other skilled trade group.

SECTION IV

Recognition

It is agreed that as a condition of employment all present and future employees covered by this Agreement shall become members of the Union after the seventh (7th) day following the beginning of their employment or the effective date of this Agreement, whichever is later. It is agreed that Membership in good standing shall mean only the payment of those periodic dues and fees germane to collective bargaining, contract administration, and grievance adjustment. The failure of any employee covered by this Agreement to make application to and become and remain a member of the Union within the period of time herein indicated shall obligate the Employer of such employee, upon written notice from a Union official to such effect and to the further effect that Union membership was and is available to such employee on the same terms and conditions as it is available to other

applicants for membership, to forthwith discharge such employee.

SECTION V

Hiring Procedure

A. The Employer recognizes the Union as a valuable source of experienced employees and shall call the Union for employees. It is agreed that the Employers may recall any employee who has worked for said Employers in the past, provided either the Employer or the employee reports such engagement of employment to the Union Hall in that area.

B. It is agreed that all employees shall be selected on a nondiscriminatory basis.

C. It is also agreed that when the Union cannot furnish a qualified employee within forty-eight (48) hours, the Employer may then ask for a qualified Apprentice Engineer to be employed as a trainee for such Employer. If the Union fails to furnish a qualified Apprentice Engineer, then the Employer may seek an employee elsewhere. The Employer shall, upon request, notify the Union as to the date of original employment of any employee covered by this Agreement. If a non-member is hired, he shall make application for membership in the Union in accordance with Section IV of this Agreement.

SECTION VI

Checkoff of Initiation Fees

The Employers agree to honor, upon presentation by the Union, all assignments for initiation fees, which have been properly signed by an employee, and to deduct the amount stated thereon from the wages earned by that employee and to pay the amount so deducted to the Union; provided however, that this Section shall apply only to those assignments which are

not irrevocable for longer than one (1) year or until this Agreement expires, whichever occurs sooner, and to those assignments, which in addition, provide that they shall automatically renew themselves for successive yearly or applicable Agreement periods thereafter, whichever is the lesser, and which further provide that the employee may revoke said assignment by giving written notice thereof to the Employer and the Union at least sixty (60) days and not more than seventy-five (75) days before any periodic renewal date.

SECTION VII

Stewards

The Employer recognizes the right of the Union to select a working Steward from among the members of the Union in accordance with Union procedure. The Stewards activities shall be confined to the area in which work is performed by his Employer. The Steward shall be permitted sufficient time to perform his usual Steward duties with the least interference to the job. It is agreed and understood that such Steward shall not receive any extra compensation above his regular wages. It is further agreed and understood that the selection of a Steward shall not increase the number of Engineers necessary to man the job. A Steward shall be required to do a days work and shall be subject to the same rules as any other employee. The Steward shall be one of the last two (2) employees to be laid off the job when the job is finishing up, providing he is capable of performing the required work. The Steward shall not be discriminated against in any manner including assignment of work and overtime, because of his Union Representation position.

SECTION VIII

Union Representatives Permitted on Jobs

The authorized Representatives of the Union may visit jobs during working hours, but must not hinder or interfere with the progress of the work. The Employers shall, upon request by the Union Representative, inform the Union of the exact locations of their jobs.

SECTION IX

Job Safety

The Union and Employer agree to require its members to live up to the Construction Safety Laws as provided by the State of Michigan, including the use of hard hats.

SECTION X

General Provisions

A. The Employer shall not be hindered or prevented in using any type or quantity of tools or appliances and may secure materials or equipment from any market or source without interference of any kind.

B. The Union recognizes that the Employer shall have sole jurisdiction of the management and operation of its business, the direction of its working force, the right to maintain efficiency on its jobs and the right to discharge employees for just cause.

C. This Agreement covers the entire understanding between the parties hereto. No oral rule, regulation or understanding which is not set forth herein will be of any force or effect upon the parties hereto. Any change or addition to this Agreement must be agreed to in writing by both parties to this Agreement and must be made, and shall become a part of this Agreement by reference thereto.

D. Employees shall not be penalized by Employers for defending and upholding the working rules and terms of this Agreement; nor shall an employee be discharged or penalized for refusing to cross a primary, legally authorized picket line.

SECTION XI

Equal Employment Opportunity

The parties agree that there shall be no discrimination against any employee for employment for any reason of race, color, religion or national origin.

SECTION XII

Subcontracting

The Employer expressly agrees that in the event he subcontracts any work covered by this Agreement, to be performed on the job site, he will not so subcontract with any subcontractor unless the subcontractor agrees that in the performance of the work he will comply with all the rates, terms and conditions of this Agreement, except Section IV of this Agreement.

SECTION XIII

Classifications

A. All employees employed under this Agreement shall be classified in accordance with the classifications set forth in Section XVI of this Agreement.

B. In the operation, care and maintenance of pumps under six inches (6) capacity, air compressor, concrete mixers under half (1/2) yard capacity, rodding machines and other small equipment, an Engineer shall be employed at the appropriate rate as shown for that classification in Section XVI to operate said equipment. The Union shall place no limitations upon the amount of work which an Engineer shall perform, or the types of equipment to which he

is assigned. It is the intention of the parties hereto that there shall be no abuse by either party of the intent of this paragraph, nor, require the Employer to hire an employee exclusively for the performance of the work as referred to in this paragraph.

C. If new or unclassified equipment or machinery, which comes within the jurisdiction of the Union, is used by an Employer, the Employer will fix a temporary rate, which rate shall be within one (1) of the rates and classifications specified in this Agreement and shall be based upon a comparison with the rate paid for other more nearly comparable classifications specified in this Agreement. Thereafter, the designated Representatives of the Union and the Association shall meet within ten (10) days after written request by the Union to the Association to negotiate a permanent rate. If agreement cannot be reached between the Association and the Union within twenty (20) days after commencement of negotiations thereon, the establishment of a permanent rate may be submitted to arbitration in accordance with Section XXXVIII of this Agreement at the request of either the Association or the Union, provided however, that any permanent rate established shall be within one of the rates and classifications specified in this Agreement and shall be based upon a comparison with the rate for other more nearly comparable classifications specified in this Agreement.

SECTION XIV
Hourly Wages

The following schedule shall apply to all employees covered by this Agreement, accordingly to Classification Schedule in Section XVI:

AREA I

CLASS I	5/1/2008	5/1/2009
*Base Wage	\$22.59	\$ 1.10
*Vacation & Holiday (15% Funded)	3.39	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund . . . . .	.45	
Apprenticeship Fund . . . . .	.35	
Labor Management Education Committee . . . . .	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$42.77	
I.A.F.	<u>.04</u>	
	\$42.81	

*Taxable Income

The allocation between wages and fringe benefits may be adjusted 30 days before the expiration date.

AREA I

CLASS II	5/1/2008	5/1/2009
*Base Wage	\$22.48	\$ 1.10
*Vacation & Holiday (15% Funded)	3.37	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund .....	.45	
Apprenticeship Fund .....	.35	
Labor Management Education Committee ...	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$42.64	
I.A.F.	<u>.04</u>	
	\$42.68	

CLASS III	5/1/2008	5/1/2009
*Base Wage	\$21.50	\$ 1.10
*Vacation & Holiday (15% Funded)	3.22	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund .....	.45	
Apprenticeship Fund .....	.35	
Labor Management Education Committee ...	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$41.51	
I.A.F.	<u>.04</u>	
	\$41.55	

*Taxable Income

The allocation between wages and fringe benefits may be adjusted 30 days before the expiration date.

AREA I

CLASS IV	5/1/2008	5/1/2009
*Base Wage	\$21.00	\$ 1.10
*Vacation & Holiday (15% Funded)	3.15	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund . . . . .	.45	
Apprenticeship Fund . . . . .	.35	
Labor Management Education Committee . . . . .	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$40.94	
I.A.F.	<u>.04</u>	
	\$40.98	

AREA II

CLASS I	5/1/2008	5/1/2009
*Base Wage	\$21.80	\$ 1.10
*Vacation & Holiday (15% Funded)	3.27	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund . . . . .	.45	
Apprenticeship Fund . . . . .	.35	
Labor Management Education Committee . . . . .	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$41.86	
I.A.F.	<u>.04</u>	
	\$41.90	

*Taxable Income

The allocation between wages and fringe benefits may be adjusted 30 days before the expiration date.

AREA II

CLASS II-A	5/1/2008	5/1/2009
*Base Wage	\$21.72	\$ 1.10
*Vacation & Holiday (15% Funded)	3.25	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund . . . . .	.45	
Apprenticeship Fund . . . . .	.35	
Labor Management Education Committee . . . . .	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$41.76	
I.A.F.	<u>.04</u>	
	\$41.80	

CLASS II-B	5/1/2008	5/1/2009
*Base Wage	\$21.52	\$ 1.10
*Vacation & Holiday (15% Funded)	3.23	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund . . . . .	.45	
Apprenticeship Fund . . . . .	.35	
Labor Management Education Committee . . . . .	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$41.54	
I.A.F.	<u>.04</u>	
	\$41.58	

*Taxable Income

The allocation between wages and fringe benefits may be adjusted 30 days before the expiration date.

AREA II

CLASS III	5/1/2008	5/1/2009
*Base Wage	\$20.85	\$ 1.10
*Vacation & Holiday (15% Funded)	3.12	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund .....	.45	
Apprenticeship Fund .....	.35	
Labor Management Education Committee ...	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$40.76	
I.A.F.	<u>.04</u>	
	\$40.80	

CLASS IV	5/1/2008	5/1/2009
*Base Wage	\$20.41	\$ 1.10
*Vacation & Holiday (15% Funded)	3.06	Increase
Insurance Fund	8.00	To Be
Pension Fund	6.95	Allocated
Retiree Benefit Fund .....	.45	
Apprenticeship Fund .....	.35	
Labor Management Education Committee ...	.04	
DC Plan	<u>1.00</u>	
Gross Wage	\$40.26	
I.A.F.	<u>.04</u>	
	\$40.30	

*Taxable Income

The allocation between wages and fringe benefits may be adjusted 30 days before the expiration date.

APPRENTICE ENGINEER

The starting rate of pay for the Apprentice Engineers shall be seventy percent (70%) of the Class I rate and then, subject to approval by the Joint Apprenticeship Training Committee, increased five percent (5%) every six (6) months during the Apprentice three (3) year training program.

For appropriate apprentice wage rates contact the Education Center:

SECTION XV

Market Recovery

It is recognized by the parties that in certain areas of the state, the union construction market has been threatened by nonunion competition. Where the mutual interests of both the Michigan Distribution Contractors Association and the Union are served by cooperating to compete more effectively, it is agreed that the Michigan Distribution Contractors Association and the Union will negotiate a market recovery rate on a job by job or an area by area basis.

When a market recovery rate is negotiated it shall be the responsibility of the Association to notify all interested contractors of the existence of such a rate or agreement.

A market recovery rate negotiated pursuant to this provision shall not be considered a more favorable rate or agreement within the meaning of Section XXV of this Agreement.

SECTION XVI

Equipment Classifications

AREA I

A. **CLASS I EQUIPMENT:** Class I wages shall apply to employees operating the following equipment:

Backhoe

Crane

Grader Mechanic (Full-Time Field Mechanic)

Dozer (D-6 equivalent or larger)

Side Boom (D-4 equivalent or larger)

Trencher (except service)

Endloader (two (2) yard capacity or greater)

B. CLASS II EQUIPMENT: Class II wages shall apply to employees operating the following equipment:

Dozer (less than D-6 equivalent)

Endloader (under two (2) yard capacity)

Side Boom (under D-4 capacity)

Backfiller Pumps (one (1) or two (2) of six inch (6) discharge or greater)

Boom Truck (with powered boom)

Tractor (Wheel Type other than Backhoe or Front Endloader)

C. CLASS III EQUIPMENT: Class III wages shall apply to employees operating the following equipment:

Tamper (Self Propelled)

Boom Truck (with non-powered boom)

Concrete Saw (twenty (20) H.P. or larger)

Pumps (two (2) to four (4) under six inch (6) discharge)

Trencher (Service)

Compressor (two (2) or more or when one (1) is used continuously into the second (2nd) day)

D. **CLASS IV EQUIPMENT:** Class IV wages shall apply to employees operating the following equipment; or to following employees:

Oiler

Hydraulic Pipe Pushing Machine

Greaseman (for greasing equipment with a grease truck)

Hydrostatic Testing Operator

APPRENTICE ENGINEER: To be used according to standards presented by the Joint Apprenticeship Committee.

Equipment Classifications

AREA 2

A. **CLASS I EQUIPMENT:** Class I wages shall apply to employees operating the following equipment:

Mechanic (Full-time Field Mechanic)

Crane (over one-half (1/2) yard capacity)

Backhoe (over one-half (1/2) yard capacity)

Grader (Caterpillar twelve (12) equivalent or larger)

B. **CLASS II-A EQUIPMENT:** Class II-A wages shall apply to employees operating the following equipment:

Trencher (except service)

Backhoe (one-half (1/2) yard capacity or less)

C. **CLASS II-B EQUIPMENT:** Class II-B wages shall apply to employees operating the following equipment:

Crane (one-half (1/2) yard capacity or less)

Compressor (two (2) or more)

Dozer (D-4 equivalent or larger)

Endloader (one (1) yard capacity or larger)

Pump (one (1) or two (2) six inch (6”) or larger)
Side Boom (D-4 equivalent or larger)

D. CLASS III EQUIPMENT: Class III wages shall apply to employees operating the following equipment:

Backfiller

Boom Truck (powered)

Concrete Saw (twenty (20) H.P. or larger)

Dozer (less than D-4 equivalent)

Endloader (under one (1) yard capacity)

Farm Tractor (with attachments)

Grader (Maintenance) Pump (two (2) to four (4)
under six inch (6”) capacity)

Side Boom Tractor (less than D-4 equivalent)

Tamper (self-propelled)

Trencher (service)

E. CLASS IV EQUIPMENT: Class IV wages shall apply to the following employees:

Oilers

Greaseman (for greasing equipment with a grease truck)

Hydrostatic Testing Operator

APPRENTICE ENGINEER: To be used according to standards presented by the Joint Apprenticeship Committee.

SECTION XVII

Oilers on Cranes-Truck and Crawler Type

A. Whenever a Truck Crane is used, an Oiler shall also be employed in addition to the Operating Engineer except that it is not required to employ an Oiler on wagon-type cranes.

B. For every two (2) crawler cranes, shovels, draglines or backhoes, one (1) Oiler shall be employed.

SECTION XVIII

Greasing Time

Operating Engineers are to be allowed and paid the equivalent of one (1) hour's pay in addition to their regular day's wages for greasing their machine when an Oiler is not required; this is to apply to CLASS I Equipment. Grease time must be actually worked. Grease time will not be paid on Trenching Machine.

SECTION XIX

Pay Provisions: Straight Time, Overtime, Shift Work, Saturdays, Sundays and Holidays

A. **STRAIGHT TIME.** When a single shift is worked, eight (8) hours of continuous employment, except for lunch period shall constitute a day's work, beginning at 7:00-8:00 a.m. on Monday through Friday of each week. The Employer agrees to notify the Union of special starting times.

B. **OVERTIME.** Where work is performed in excess of eight (8) hours on Monday through Friday, one and one-half (1-1/2) the regular rate of wages shall be paid.

C. **SHIFT WORK.** Where two (2) or more shifts are worked, five (5) eight (8) hour shifts from midnight Sunday to midnight Friday shall constitute a regular week's work and such time shall be paid for at the regular rate of wages; provided however, that the employees working the second (2nd) or third (3rd) shifts shall be allowed a one-half (1/2) hour lunch period in each shift to be paid for as working time. The paid lunch period on multiple shifts shall apply whether the shifts are of eight (8) hours duration or longer. Where work is performed in excess of eight (8)

hours on any shift, one and one-half (1-1/2) the regular rate of wages shall be paid.

D. **SATURDAYS.** For all work performed on Saturdays, one and one-half (1-1/2) times the regular rate of wages shall be paid.

E. **SUNDAYS AND HOLIDAYS.**

- (1) For all work performed on Sundays and the following six (6) Holidays, double time the regular rate of wages shall be paid:

New Year's Day

Decoration Day

Fourth of July

Labor Day

Thanksgiving Day

Christmas Day

- (2) If any of the aforementioned six (6) named Holidays fall on a Sunday and the day following is observed as a legal Holiday, then double time shall be paid for that day for all work performed.
- (3) No work shall be performed on Labor Day except in extreme emergencies.

SECTION XX

Reporting Time-Waiting Time

When an employee reports on the job but is not needed that day, he shall be paid two (2) hours for Reporting Time, during which time he shall do any work required in his jurisdiction (except operation of machines), such as repairing, cleaning and maintaining machines, but if he is held on the job more than two (2) hours, or starts to operate, he shall receive one-half (1/2) day's pay. An employee who reports in the morning, or at the beginning of a shift,

and is also required to report after noon or after the lunch period of a shift on the same job in one (1) day, shall receive one (1) day's pay. Reporting Time and/or Waiting Time on Saturdays, Sundays and Holidays shall be computed at the overtime hourly rate applicable for the day that Reporting Time-Waiting Time occurred.

SECTION XXI

Employee Changing Classification

Any employee may be temporarily shifted by the Employer from any classification of work to another classification of work providing the employee is capable of performing the other work and is paid the rate of wage for the classification which provides the highest wage rate for that day.

SECTION XXII

Supervisory Personnel

Any Operating Engineer regularly assigned to a piece of equipment covered under this Agreement, or who has operated same during his regular workday, shall perform any overtime work when overtime is assigned such machine.

SECTION XXIII

Regular Payday

PAYDAY. Employees shall be paid once each week on the payday that is established by the Employer. Employees shall be paid in U.S. currency or check on a Michigan Bank and the Employer agrees that payroll checks will be at the job site not later than two (2) hours after the start of the shift on payday so that employees may receive their checks before leaving the job site when they are not required to start work, provided, however, alternate mutually agreed to arrangements for obtaining payroll checks may be made between employees and the Employer.

PAY STUBS and/or other forms in writing must contain the following information and will be given to the employee WEEKLY:

- (1) Regular hour's worked and hourly rate of pay.
- (2) Overtime hours worked.
- (3) Vacation and holiday pay.
- (4) All authorized deductions will be titled and listed where applicable.

SECTION XXIV

Discharge or Layoff

An employee covered under the terms of this Agreement who is discharged or laid off for reasons other than inclement weather for more than one (1) day shall be paid off at the time that he is discharged or laid off or shall be paid waiting time at the same rate at which he is working. Any Employer failing to comply with the provisions of this Section shall be guilty of a breach of this Agreement for which he may be refused employees by the Union. All members of the Union employed by him at the time may be required to leave the job until this matter is settled. The Employer agrees to furnish slips at the request of the employee stating reason for termination of employment.

SECTION XXV

Equal Treatment

In no event shall an Employer be required to pay higher wages or fringes or be subject to more unfavorable working rules or conditions, than those established by the International Union of Operating Engineers Local 324 for any other Employer engaged in work covered by this Agreement or any other Employer not signatory to this Agreement, who has negotiated a more favorable separate Agreement with the Union,

or who is working within the Union's jurisdiction with the knowledge or tacit approval of the Union.

SECTION XXVI

Workers' Compensation Insurance and Unemployment Compensation Insurance

Each Employer shall be required to protect his employees by the Employer's proper payment to provide coverage of Workers' Compensation Insurance and Unemployment Compensation Insurance benefits for each employee.

SECTION XXVII

Operating Engineers Local 324 Health Care

In addition to all other compensation required by the terms of this Agreement, effective May 1, 2008, the Employers agree to pay into the Operating Engineers' Local 324 Health Care Plan, the sum of eight dollars (\$8.00) per hour for each hour paid without regard to whether the employee was working on straight time or overtime, for each employee covered by this Agreement in accordance with the Trust Fund Agreement of the Operating Engineers' Local 324 Health Care Plan.

Effective May 1, 2009, the Employers agree to pay into the Operating Engineers' Local 324 Health Care Plan, the sum of (to be allocated 5-1-2009) per hour for each hour paid without regard to whether the employee was working on straight time or overtime, for each employee covered by this Agreement in accordance with the Trust Fund Agreement of the Operating Engineers' Local 324 Health Care Plan.

The payments shall be remitted by the 15th day of the month following the month which the report covers, and mailed to Chase, Dept. #77722 Operating Engineers Fringe Local 324-Fringe Benefit Fund, PO

Box 77000, Detroit, Michigan 48277-0722, on forms provided by said Plan. The Employers by becoming a party to this Agreement, agree to be bound by all the terms, conditions, rules and regulations adopted by the Trustees of said Plan.

SECTION XXVIII

Pension

In addition to all other compensation required by the terms of this Agreement, effective May 1, 2008, the Employers agree to pay into the Operating Engineers' Local 324 Pension Fund, the sum of six dollars and ninety-five cents (\$6.95) per hour for each hour paid without regard to whether the employee was working on straight time or overtime, for each employee covered by this Agreement.

Effective May 1, 2009, the Employers agree to pay into the Operating Engineers' Local 324 Pension Fund, the sum of (to be allocated 5-1-2009) per hour for each hour paid without regard to whether the employee was working on straight time or overtime, for each employee covered by this Agreement.

These payments shall be remitted by the 15th day of the month following the month which the reports cover and mailed to Chase, Dept. #77722 Operating Engineers Fringe Local 324-Fringe Benefit Fund, PO Box 77000, Detroit, Michigan 48277-0722 on proper forms furnished by the Pension Fund. The Pension Fund shall be administered pursuant to the existing Agreement and Declaration of Trust administered jointly by an equal number of representatives of the Employers and the Union, which Agreement and Declaration of Trust shall conform to all requirements of law. The said Agreement and Declaration of Trust, together with any Amendments thereto, shall be considered as part of this Agreement as though set

forth herein at length. By becoming bound by this Agreement, any Employer, whether or not a member of the Association, authorizes the Association which is party hereto to enter into appropriate trust agreements necessary for the administration of the Pension Fund, and to designate the Trustees under this Agreement hereby waiving all notice thereof and ratifying all actions already taken by the Trustees within the scope of their authority.

SECTION XXIX

Defined Contribution Plan

In addition to all other compensation required by the terms of this Agreement, effective May 1, 2008, the Employers agree to pay into the Operating Engineers' Local 324 Defined Contribution Plan (DC Plan), the sum of one dollar (\$1.00) per hour for each hour paid without regard to whether the employee was working on straight time or overtime, for each employee covered by this Agreement.

Effective May 1, 2009, the Employers agree to pay into the Operating Engineers' Local 324 Defined Contribution Plan (DC Plan), the sum of (to be allocated 5-1-2009) per hour for each hour paid without regard to whether the employee was working on straight time or overtime, for each employee covered by this Agreement.

These payments shall be remitted by the 15th day of the month following the month which the reports cover and mailed to the Chase, Dept. #77722 Operating Engineers Fringe Local 324-Fringe Benefit Fund, PO Box 77000, Detroit, Michigan 48277-0722 on proper forms furnished by the Defined Contribution Plan. The Defined Contribution Plan shall be administered pursuant to the existing Agreement and Declaration of Trust administered jointly by an equal

number of representatives of the Employers and the Union, which Agreement and Declaration of Trust shall conform to all requirements of law. The said Agreement and Declaration of Trust, together with any Amendments thereto, shall be considered as part of this Agreement as though set forth herein at length. By becoming bound by this Agreement, any Employer, whether or not a member of the Association, authorizes the Association which is party hereto to enter into appropriate trust agreements necessary for the administration of the Defined Contribution Plan (DC Plan), and to designate the Trustees under this Agreement hereby waiving all notice thereof and ratifying all actions already taken by the Trustees within the scope of their authority.

SECTION XXX

Retiree Benefit Fund

Effective May 1, 2008, each Employer agrees to pay into the Operating Engineers' Local 324 Retiree Benefit Fund the sum of forty-five cents (\$.45) per hour for each hour paid each employee doing work covered by this Agreement. All contributions to said Fund shall be computed on actual hours paid, without regard to whether the employee was paid on straight-time or overtime. These contributions shall be deposited each month or at such other regular intervals as may be determined by the Trustees of said Retiree Benefit Fund, to such depository as may be designated by the Trustees.

SECTION XXXI

Labor-Management Education Committee

Effective May 1, 1995, the Union and the Association established Operating Engineers Local 324 Labor-Management Education Committee. This Committee is created and shall exist pursuant to the Labor Man-

agement Cooperation Act of 1978 and for the purposes set forth in Section 6 (b) of the Labor Management Cooperation Act of 1978. This Committee shall consist of an equal number of representatives appointed by the Union and by the Association. The Committee may be joint with such other Employer associations with which the Union has a collective bargaining agreement and which agree in their collective bargaining agreement to become part of the Labor-Management Education Committee. If the Committee is made up of representatives of more than one Employer association, then each Employer association which agrees to become part of the Labor-Management Education Committee shall be entitled to a single representative to the Committee and the Union shall have an equal number of representatives. Such representatives shall be the Trustees of the Labor-Management Education Committee.

The Labor Management Education Committee established hereby shall exist and operate under the terms of a Trust Agreement to which the Union and each participating Employer association shall be a party.

Effective May 1, 2008, in addition to all other compensation required by the terms of this Agreement, the Employer agrees to pay to Operating Engineers Local 324 Labor Management Education Committee, for each employee covered by this Agreement, the sum of four cents (\$.04) per hour for all hours paid each employee.

All Labor-Management Education Committee contributions shall be computed on actual hours paid without regard to whether the employee was working on straight time or overtime. These contributions shall be deposited each month, or at such other regular intervals as may be determined by the Trustees of the

Operating Engineers Local 324 Labor-Management Education Committee, to such depository as may be designated by said Trustees.

The Agreement and Declaration of Trust establishing the Operating Engineers Local 324 Labor-Management Education Committee, effective June 1, 1989, is made a part of this Agreement by reference, and the Employer agrees to be bound by and comply with said Trust Agreement, any Amendments thereto, and all related agreements, rules, regulations, reporting forms and other requirements lawfully established by the Trustees of such Committee.

SECTION XXXII

Industry Advancement Fund

The Association has established an Industry Advancement Fund whose activities shall be determined by the Association and which Fund shall be financed by the payments hereinafter provided for.

The Contractor agrees to pay to Industry Advancement Fund four cents (\$.04) per hour for actual hours paid each employee working under this Agreement or, in the alternative, to pay four cents (\$.04) per hour to the Operating Engineers' Local 324 Health Care Plan for actual hours paid each employee working under this Agreement, said four cents (\$.04) per hour to be in addition to the Insurance Fund contribution provided for in Section XXVII.

SECTION XXXIII

Collection Charges & Violations of Payments

The Employers agree to pay all the costs of collection charges resulting from late payments of delinquent contributions and further agree to abide by the

rules and regulations promulgated by the Trustees of the Fringe Benefit Funds. This applies to all work done under this Agreement in the entire State of Michigan.

If the Employer fails to pay fringes and the employees are removed from the project, the Employer agrees to continue to pay the wages based on the employee's applicable rate for eight (8) hours (at straight time) per day not to exceed five (5) working days.

SECTION XXXIV

Apprenticeship and First Aid Training Program

A. The parties agree that it is in their mutual interest and in the interest of the construction industry that new employees be trained in the operation of equipment covered by this Agreement. In furtherance of an Apprenticeship Training Program, the Employers agree that in addition to all other employees otherwise provided for in the Agreement, on all jobs where there are five (5) or more Engineers employed on one (1) job by the Employer, the Employer shall also employ one (1) Apprentice Engineer. The Apprentice Engineer shall be assigned to work with the various Engineers and to do other work as directed. The Apprentice Engineer's starting rate shall be seventy percent (70%) of the Class I hourly rate, and then increased five percent (5%) every six (6) months during his three (3) year training period. (See Section XIV-Hourly Wages, Apprentice Engineer.)

B. The parties also agree that it is in their mutual interest and in the interest of the construction industry that all operators be trained in the knowledge and experience of first aid.

SECTION XXXV

Apprenticeship Training Fund Contributions

The Employer agrees to pay into the Operating Engineers' Local 324 Joint Apprenticeship Training Program Fund, the sum of thirty-five cents (\$.35) per hour for each hour worked by all employees covered by this Agreement (except Apprentices) in accordance with the rules of the Operating Engineers' Local 324 Joint Apprenticeship Training Committee. These contributions will be made on the forms provided for and sent to such depository as shall be named by this Committee.

SECTION XXXVI

Vacation and Holiday Fund

Vacation and Holiday Pay shall constitute a part of, and shall be included in all employee's gross wages for the propose of computing all payroll withholdings, such as income tax, social security and other required deductions, and then shall be subtracted from the employee's weekly gross pay and transmitted by the Employer to such bank as designated by the Trustees of the Operating Engineers' Local 324 Vacation and Holiday Fund of Michigan. Also, each employee shall be paid his Vacation and Holiday monies in December of each year from the Vacation and Holiday Fund; and the Employer shall show on each employee's paycheck stub the amount of Vacation and Holiday pay due him for that payroll period.

SECTION XXXVII

Guaranty of Agreement Liability Operating Engineers Local No. 324 Security Deposit Fund

A. There shall be established by appropriate Trust Agreement a Fund to be known as the OPERATING ENGINEERS' LOCAL NO. 324 SECURITY DEPOSIT FUND (hereinafter called the "Fund") to

be administered by a joint committee of an equal number of Employer's Representatives and Representatives appointed by the Union. The Fund shall receive the deposits required hereunder and hold, administer and disburse the same as provided in the Trust Agreement which is incorporated and made a part hereof by reference.

B. Each Employer who becomes a party to this Agreement and (1) who fails to pay when due any of the fringe benefit contributions required to be paid, or (2) has not continuously performed work in the local area for at least one (1) year, shall deposit within ten (10) days after written demand by the Trustees, and thereafter maintain with the Fund such sum of money as shown in the following Schedule which shall operate as a security deposit for so long as the Fund may require.

C. To the extent provided herein, the deposit of any individual Employer shall secure and guarantee payment of that individual Employer's obligations to the various fringe benefit funds as required by the Collective Bargaining Agreement but shall not be used to defray the obligations of any other Employer. The obligations of the Employer to the various fringe benefit funds and Vacation and Holiday Funds shall be deemed to include cost of collection charges assessed by the said funds for late payment.

D. The total amount of all claims by the various fringe benefit funds for delinquent payments that may be assessed against the deposit for any one Employer shall be limited to the amount accrued during a period of two (2) consecutive calendar months and in no event shall exceed the amount shown in the Schedule for the classification of the delinquent Employer.

E. A Statement of Delinquency certified by the administrator of any fringe benefit fund must be based upon an audit, admission of liability or refusal to allow an audit and shall be required before payment from the deposit, may be made by the Fund.

F. SCHEDULE

1. When an Employer is required to make a security deposit, the amount of such deposit shall be in accordance with the following Schedule:

Group:	Average Number of Operating Engineers employed	Deposit Amount:
1	1-15	\$2,500.00
2	16-40	\$5,000.00
3	41 or more	\$5,000.00 PLUS \$1,000.00 for each ten (10) additional employ- ees or portion thereof in excess of forty-one (41).

2. In the case of a delinquent Employer, the average shall be determined from the daily number of Operating Engineers on the payroll during the preceding three (3) months.
3. In the case of an Employer without an established payroll in the local area, the average number of Operating Engineers to be employed will be estimated by the Employer subject to the approval of the Fund Committee.

SECTION XXXVIII

Arbitration

(a) A grievance is an alleged breach, misinterpretation or misapplication of the terms of this Agreement. During the life of this agreement the Employer shall not engage in any lockout and the Union and the

Employees shall not cause, participate in or approve any strike or work stoppage of any sort.

(b) Settlement of grievances may be arrived at in any step of the grievance procedure which will be final and binding on the Union, the Employer and the Employee.

(c) Any grievance must be presented (verbally or in writing) within three (3) working days of the time the aggrieved party first becomes aware, or should have become aware, of a claim subject to the grievance. A "working day" shall not include Saturdays, Sundays or Holidays.

(d) Grievances shall be handled in the following manner:

Step 1. Between the Employer's supervisor and a representative of the Union on the job site.

Step 2. Within ten (10) working days following completion of Step 1, an unresolved grievance shall be reduced to writing. The written grievance shall be submitted to a Union Business Representative and the Employer's Representative at the job site. The grievance shall set forth the time the grievance arose and the facts upon which the grievance is based.

Step 3. Within five (5) working days following completion of Step 2, an unresolved grievance shall be submitted to the Business Manager and the Representative of the Employer.

Step 4. Within five (5) working days following completion of Step 3, an unresolved grievance shall be submitted to the Joint Grievance Board. The Joint Grievance Board shall consist of four (4) persons, two (2) of whom are to be selected by the Association and two (2) by the Union. The time limits provided for in

any Step of the grievance procedure may be extended by mutual consent of the Union and the Employer.

The Joint Grievance Board shall appoint a Secretary from among its members, and the Board shall meet promptly upon written notice from the Secretary or from any member of the Board after receipt of such notice of requested meeting. The Secretary will schedule Board meetings after ascertaining the Employer's availability.

The Board will not issue a decision in the absence of the employer. The Board will consider and decide all grievances relative to wages and all other terms and conditions of employment under this Agreement. Grievances shall be submitted in writing and shall be decided by a majority vote of the full Board consisting of four (4) members. The decision of the Board is final and binding.

The refusal or failure by any party, the Employer, Employee and the Union, to schedule or attend a Joint Grievance Board meeting shall constitute waiver of all prior irregularities in the grievance procedure, and the complainant may proceed directly to arbitration. If the complainant prevails in the arbitration over such party, that party shall pay all costs of arbitration, excluding attorney fees. If the complainant does not prevail, each party will pay its own cost, except the arbitrator's fee shall be shared equally.

Step 5. If the Joint Grievance Board deadlocks regarding any grievance, it shall constitute a basis for submittal of the grievance to the National Center for Dispute Settlement. In such instances, the parties to the grievance shall appoint an arbitrator to review the dispute and render a decision. If the parties are unable to agree upon an arbitrator, the National Center for Dispute Settlement shall make the designation.

The arbitrator's fee shall be shared equally by the Employer and the Union. The arbitrator shall confine his decision to the dispute in question and shall not have authority to add to, subtract from, or in any way modify the terms of this Agreement. The arbitrator's decision shall be final and binding on the Employer and the Union, and the Employee(s) involved.

(e) It is expressly agreed and understood that violation of payment of rates, of pay, overtime work, Holiday and Vacation Fund, Security Deposit, Health Care and Pension Funds, Labor Management Education Committee, Retiree Benefit Fund, Apprenticeship and Journeyman Retraining Fund or Industry Advancement Funds (if applicable) contributions, as provided in this Agreement shall not be considered as subject to arbitration, provided the Union gives seventy-two (72) hours written or telegraphic notice to the Association and the Employer concerned prior to taking economic action for violation of payment as provided for in this Agreement.

(f) Wage and overtime claims will not be considered after thirty (30) days following the pay period for which said claims are made.

SECTION XXXIX

Jurisdictional Procedure

It is agreed by the parties hereto that in the event that they are unable to settle jurisdictional disputes on a local level, they will submit the same to the Impartial Jurisdictional Disputes Board, established with the authority and consent of the National Labor Relations Board for the purpose of settling jurisdictional disputes in the construction industry, and abide by the decisions of the Impartial Jurisdictional Disputes Board.

SECTION XL

Complaints

A. The Employer agrees that he will not hold the Union liable for any acts of its members not authorized by said Union. The Union agrees it will, on written request by the Employer notify the Employer within forty-eight (48) hours after receipt of said request whether the act of the member or members of the Union so complained of was or was not authorized; and if not authorized, the Union agrees it will take immediate steps to rectify the situation.

B. The Union agrees it will not hold the Employer liable for any acts of the agents of said Employer not authorized by said Employer. The Employer agrees it will, on written request by the Union, notify the Union within forty-eight (48) hours after receipt of said request at the office of said Employer, whether or not the act of the Employer's agent so complained of by the Union was authorized; and if not authorized, the Employer agrees it will take immediate steps to rectify the situation.

SECTION XLI

Notifying the Union of Job Awards

The Employers agree to notify the Business Manager of the Union, at the Union's Livonia Headquarters, of each job obtained by the Employer, describing the location, size and extent of distribution work, and the proposed starting date of the job. The Employer must notify the Union, by collect telegram, of all jobs awarded and their locations, in excess of 3000 feet before start of said job.

SECTION XLII

Invalidity

In the event that any portion of this Agreement is declared to be or becomes inoperative under State or Federal Law, the balance of the Agreement shall remain in full force and effect and the parties hereto agree to meet and renegotiate the inoperative portion of the Agreement.

SECTION XLIII

Memorandum of Understanding

(a) On plowing in of cable when the two International Unions agree on jurisdiction and it is in the favor of the Operating Engineers, this work jurisdiction will immediately be incorporated into this Agreement.

(b) Directional boring machines shall be included in this Agreement. Local 324 will not interfere with the employers existing policy relating to directional boring machines effective 5/1/95.

(c) The Contractor shall contact I.U.O.E. Local 324 to discuss a 4-10's work schedule prior to the start of a project.

SECTION XLIV

Renewal or Change

This Agreement shall remain in full force and effect until the Thirtieth Day of April, 2010, and thereafter shall continue in force from year to year, unless either party hereto shall notify the other party in writing at least sixty (60) days prior to the end of the current term or as the case may be, sixty (60) days prior to the end of any additional agreement year, of its intention to make changes in or to terminate this Agreement. Such written notice shall specify any

changes or amendments desired by the party giving such notice and shall be sent by Certified Mail to the other party.

SECTION XLV

Signatory Parties to this Agreement

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers this 1st day of May, 2008.

FOR:

**MICHIGAN DISTRIBUTION CONTRACTORS
ASSOCIATION**

PO Box 66

Grand Ledge, Michigan 48837

Darryl Kaltz

President

Leroy Day

Negotiating Chairman

FOR:

**INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL NO. 324, 324A,
324-B, 324-C, AFL-CIO**

37450 Schoolcraft Rd., Suite 110

Livonia, Michigan 48150

Phone: (734) 462-3660

John M. Hamilton

Business Manager

Scott Page

President

Leo L. Bodette

Recording-Corresponding Secretary

**OPERATING ENGINEERS' LOCAL 324
HEALTH CARE PLAN**

37450 Schoolcraft Rd., Suite 130
Livonia, Michigan 48150
Phone: (734) 462-3670
Watts Line No. 1-800-572-8975

**OPERATING ENGINEERS' LOCAL 324
PENSION FUND**

2075 W. Big Beaver Rd., Suite 700
Troy, Michigan 48084-3446
Phone: (248) 822-4200

**OPERATING ENGINEERS' LOCAL 324
VACATION & HOLIDAY FUND
OF MICHIGAN**

2075 W. Big Beaver Rd. Suite 700
Troy, Michigan 48084-3446
Phone: (248) 822-4200

**JOURNEYMAN AND APPRENTICE
TRAINING FUND INC.**

275 E. Highland Rd
Howell, Michigan 48843
Phone: 517-546-9610
Fax: 517-546-9793

- N O T E S -

- N O T E S -

- N O T E S -

- N O T E S -

**IT SHALL BE THE
DUTY OF A MEMBER
TO BECOME FAMILIAR
WITH THE
WORKING RULES
IN THE
SPECIFIC CONTRACT
UNDER WHICH
HE IS WORKING**