

**Objection Deadline:** January 9, 2024, at 4:00 p.m. (Atlantic Standard Time)

**Hearing Date:** January 24, 2024, at 9:30 a.m. (Atlantic Standard Time)

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

**NOTICE OF  
MOTION OF PUERTO RICO ELECTRIC POWER AUTHORITY  
FOR ORDER (I) APPROVING REJECTION OF COLLECTIVE  
BARGAINING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

**PLEASE TAKE NOTICE** that the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Puerto Rico Electric Power Authority (“PREPA”), pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”),<sup>2</sup> is filing herewith the *Motion of Puerto Rico Electric Power Authority for Order (I) Approving Rejection of Collective Bargaining Agreements and (II) Granting Related Relief* (the “Motion”).

**PLEASE TAKE NOTICE** that responses or objections to the Motion, if any, must be in writing, must conform to the Federal Rules of Bankruptcy Procedure and the *Eighteenth Amended Notice, Case Management and Administrative Procedures* [Case No. 17-3283-LTS, ECF No. 25937-1] (the “Case Management Procedures”), and must be filed with the Court (a) by registered users of the Court’s case filing system, electronically in accordance with rule 5 of the Local Rules for the District of Puerto Rico, and (b) by all other parties in interest, on a CDROM, in text-searchable portable document format (PDF), and served on (i) counsel for the Oversight Board, Proskauer Rose LLP, Eleven Times Square, New York, New York 10036-8299 (Attn: Martin J. Bienenstock, Esq., Ehud Barak, Esq., and Paul V. Possinger, Esq.), and A&S Legal Studio, PSC, 434 Avenida Hostos, San Juan, PR 00918 (Attn: Luis F. del Valle-Emmanuelli); (ii) counsel for the Puerto Rico Fiscal Agency and Financial Advisory Authority, O’Melveny & Myers LLP, 7 Times Square, New York, New York 10036 (Attn: John J. Rapisardi, Esq., Peter Friedman, Esq., Maria J. DiConza, Esq., and Gabriel Olivera, Esq.) and Marini Pietrantonio Muñiz LLC, 250 Ponce de León Ave., Suite 900, San Juan, Puerto Rico 00918 (Attn: Luis C. Marini-Biaggi, Esq. and Carolina Velaz-Rivero, Esq.); and (iii) the Office of the United States Trustee for Region 21,

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<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2101–2241.

Edificio Ochoa, 500 Tanca Street, Suite 301, San Juan, Puerto Rico 00901-1922, so as to be received no later than **January 9, 2024 at 4:00 p.m. (AST)**.

**PLEASE TAKE FURTHER NOTICE** that the relief requested in the Motion may be granted without a hearing if no objection is timely filed, served, and received in accordance with the Case Management Procedures. The Case Management Procedures states parties may request relief without a hearing by filing a certificate of no objections (“CNO”), provided that the notice filed with the request for relief includes a statement that the request for relief may be granted and an order entered without a hearing unless a timely objection is made. After the objection deadline has passed, and no objection had been filed or served in accordance with the set procedures set forth herein, counsel to the entity that has filed the request for relief may file a CNO indicating that no objection has been filed or served on the party who has filed the request for relief and submit an order granting the relief requested. The CNO must include the date of the filing and service of the motion or application, the deadline for filing an objection thereto, and a statement that counsel is filing the CNO not less than forty-eight (48) hours after the expiration of such deadline. In filing the CNO, counsel for the moving party represents to the Court that the moving party is unaware of any objection, responsive pleading, or request for a hearing with respect to the motion or application, that counsel has reviewed the Court’s docket not less than forty-eight (48) hours after expiration of the time to file an objection, and that no objection, responsive pleading, or request for a hearing with respect to the motion or applications appears on the docket.

**PLEASE TAKE FURTHER NOTICE** that, if necessary, a hearing will be held before the Honorable Laura Taylor Swain, United States District Court Judge (the “Court”), on **January 24, 2024 at 9:30 a.m. (AST)**.

**PLEASE TAKE FURTHER NOTICE** that copies of the Motion and all documents filed in this Title III case are available (a) free of charge by visiting <https://cases.ra.kroll.com/puertorico> or by calling +1 (844) 822-9231, and (b) on the Court's website at <http://www.prd.uscourts.gov>, subject to the procedures and fees set forth therein.

WHEREFORE PREPA respectfully requests the Court take notice of the above.

Dated: January 2, 2024  
San Juan, Puerto Rico

Respectfully submitted,

/s/ Luis F. del Valle-Emmanuelli

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as representative for PREPA*



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Title III

No. 17 BK 3283-LTS

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Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

**MOTION OF PUERTO RICO ELECTRIC POWER AUTHORITY  
FOR ORDER (I) APPROVING REJECTION OF COLLECTIVE  
BARGAINING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

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To the Honorable United States District Court Judge Laura Taylor Swain:

**PARTIES RECEIVING THIS MOTION SHOULD LOCATE THEIR NAMES AND THEIR CONTRACTS OR LEASES LISTED ON SCHEDULE 1 TO THE PROPOSED ORDER ATTACHED HERETO AS EXHIBIT A TO DETERMINE IF THIS MOTION AFFECTS THEIR CONTRACT OR THEIR RIGHTS THEREUNDER**

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as sole Title III representative of the Puerto Rico Electric Power Authority (“PREPA”), pursuant to section 315(b) of the Puerto Rico Oversight, Management, and Economic Stability Act (“PROMESA”),<sup>1</sup> respectfully submits this Motion (the “Motion”), pursuant to section 365 of title 11 of the United States Code (the “Bankruptcy Code”) and Bankruptcy Rule 6006, made applicable to this case by PROMESA sections 301(a) and 310, respectively, for an order, substantially in the form attached hereto as **Exhibit A**, approving PREPA’s rejection of its collective bargaining agreements (“CBAs”) with UTIER and UEPI (each as defined below). In support of this Motion, PREPA respectfully submits the *Declaration of Sheva R. Levy in Respect of the Omnibus Motion of Puerto Rico Electric Power Authority for Order (I) Approving Rejection of Collective Bargaining Agreements and (II) Granting Related Relief* attached as **Exhibit B** (the “Levy Declaration”). In further support of this Motion, the Oversight Board respectfully states as follows:

**PRELIMINARY STATEMENT**

1. As a result of the two transactions that have transferred PREPA’s the operations of PREPA’s generation, transmission, and distribution assets to private management, PREPA has two remaining CBAs – one with UTIER, with approximately 139 active members remaining, and one with UEPI, with approximately three active members remaining. Each of these CBAs require,

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<sup>1</sup> PROMESA is codified at 48 U.S.C. §§ 2101–2241.

among other things, that PREPA's current pension system<sup>2</sup> continue to operate and be maintained as a fully funded trust. PREPA cannot assume its CBAs because it is unable to cure the significant multibillion dollar underfunding of its defined benefit plan, meet future funding obligations to maintain the system as it currently exists and as required by the CBAs, or pay the unions' grievance claims asserted in excess of \$1 billion. Assumption of the CBAs would also be inconsistent with the pension reform measures the Oversight Board has determined are essential to ensure adequate funding for accrued pension benefits. The pension reform measures are the same as those implemented for governmental employees of the Commonwealth and other Title III debtors.

2. PREPA ERS has recently asserted PREPA owes it \$1.2296 billion in unpaid employer contributions from 2016 to date, plus an *additional* \$5.0679 billion in future contributions through 2060. *See SREAAE's Substantive Opening Brief in Support of Estimation of the Unsecured Net Revenue Claim* [Adv. Pro. No. 19-00391, ECF No. 187] at 9-10 (citing the *Expert Declaration of Mr. José Fernández, President and Consulting Actuary of Fase2 C&W, LLC in Support of the Employee's Retirement System of Puerto Rico Electric Power Authority's Substantive Brief*). Indeed, the pension system's underfunding is so severe it issued a notice in April 2023 (the "Insolvency Notice") to its participants indicating it will be unable to continue to pay any retirement benefits as early as May 2023. Following the issuance of the Insolvency Notice, the Oversight Board has gone to great lengths to ensure that retirees continue receiving their needed pension benefits, including most recently permitting PREPA to enter into a loan agreement with the Commonwealth, whereby the Commonwealth loaned \$300 million to PREPA for the exclusive purpose of maintaining pension benefits through October 2024.

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<sup>2</sup> Sistema de Retiro de Empleados de la Autoridad de Energía Eléctrica ("SREAAE" or the "PREPA ERS").

3. The need for reform of PREPA's pension system and the restructuring of PREPA's obligations to SREAEE is urgent and inescapable. Given (a) PREPA's financial condition and existing pressure on its customer base, which is the only source of payments to the pension system, and (b) the claims asserted by SREAEE that, if allowed, would need to be satisfied in full if either of the CBAs were to be assumed, the requirement under the CBAs that PREPA maintain its pension system are incapable of being assumed by PREPA.

4. The contemplated freeze of benefit accruals, elimination of cost of living adjustments, and transition of PREPA's defined benefit plan to a PayGo system under PREPA's proposed plan of adjustment would result in savings of over \$425 million going forward, *see* Levy Decl. ¶ 13, and are consistent with pension reform implemented by both the Commonwealth legislature with respect to the Puerto Rico Government Employees Retirement System ("ERS") over ten years ago, and the Oversight Board in the Commonwealth Plan of Adjustment with respect to the Puerto Rico Teachers Retirement System ("TRS") and the Puerto Rico Judiciary Retirement System ("JRS"). Levy Decl. ¶ 9. Additionally, the modifications would eliminate PREPA's liability for an asserted employer contribution arrearage claim in excess of \$1 billion.<sup>3</sup> Modification of this aspect of the CBAs is further warranted to align with Act 26-2017, which standardizes benefits across the Commonwealth, its agencies, and public corporations.

5. Additionally, UTIER has filed a proof of claim against PREPA in the amount of \$1,124,524,226.25 for alleged grievances arising under its CBA with PREPA. Proof of Claim No. 52867 (the "UTIER POC"). Although the Oversight Board disputes this claim, and asserts to the extent it is allowed it will likely be in a much smaller amount, PREPA is indisputably incapable

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<sup>3</sup> PREPA contests this asserted liability and reserves its right to object to such claim.

of assuming this obligation and paying it in full, certainly not upon the effective date of PREPA's plan of adjustment as would be required by PROMESA section 314(b)(4). UEPI has also filed a proof of claim for grievances under its CBA, in the amount of \$3.7 million.

6. With PREPA's retirement system completely insolvent, requiring extraordinary funding from PREPA and the Commonwealth to continue to pay retirees on a pay-as-you-go basis, and unsustainable in its current structure, plus the large employer contribution claim asserted by SREAE that must be paid under the CBAs, and the large grievance claim asserted by UTIER, the Oversight Board sought to engage in negotiations with PREPA's unions to reach an agreement on consensual modifications to CBA provisions regarding maintenance of the pension system, treatment of prepetition grievance claims, and certain other provisions. The Oversight Board negotiated directly and with the assistance of Mediation Team (as defined below) with representatives for UTIER (as defined below), PREPA's primary union, and the parties exchanged several proposals to reach a consensual resolution. Separately, the Oversight Board also reached out to representatives for UEPI and submitted a similar proposal for a consensual amendment of its CBA with PREPA; UEPI's counsel acknowledged receipt of the proposal but never responded to it or initiated any further communication with the Oversight Board, and did not respond to additional attempts to negotiate. The Oversight Board and UTIER have exchanged proposals since August 2022, and had repeated discussions. Unfortunately, the parties have been unable to reach a consensual resolution on terms that would both protect PREPA's ratepayers and provide certainty for PREPA's pensioners.<sup>4</sup> Instead, PREPA's proposed plan of adjustment (the "Plan")—which includes similar treatment to the PREPA pension system as afforded to the pension systems of the

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<sup>4</sup> The filing of this Motion notwithstanding, the Oversight Board remains willing to continue negotiations with both unions for amended CBAs to avoid adjudication of this dispute if possible.



Commonwealth under its plan of adjustment—provides for the much-needed modifications that will provide savings, stability, and security for PREPA, its customers, and its pensioners.

7. Accordingly, rejecting PREPA’s CBAs with UTIER and UEPI is necessary to PREPA’s reorganization and to allow for essential reform of pension benefits for participants in the PREPA ERS and to avoid liability for a potentially large administrative assumption claims for employer contributions to SREAEE and grievances under the CBAs. PREPA requests Court approval of such rejection by this Motion.

### **JURISDICTION AND VENUE**

8. The United States District Court for the District of Puerto Rico (the “Court”) has subject matter jurisdiction over this Motion pursuant to PROMESA section 306(a).

9. Venue is proper in this district pursuant to PROMESA section 307(a).

10. The statutory predicates for the relief sought herein are Bankruptcy Code section 365 and Bankruptcy Rule 6006, made applicable to this case by PROMESA sections 301(a) and 310, respectively.

### **BACKGROUND**

#### **I. Commencement of the Title III Cases**

11. On May 3, 2017, the Oversight Board filed a voluntary petition for the Commonwealth of Puerto Rico (the “Commonwealth”) pursuant to PROMESA section 304(a).

12. On July 2, 2017, the Oversight Board filed this Title III case for PREPA. Additionally, between June 1, 2017, and October 9, 2019, the Court entered certain orders that collectively granted the joint administration of the Title III Cases for the Commonwealth and its instrumentalities, including PREPA [Case No. 17-3283, ECF Nos. 242, 537, 1417, and 8829].

## II. PREPA's Transformation

13. PREPA generates, transmits, and distributes substantially all the electric power used in Puerto Rico. PREPA, as an instrumentality of the Commonwealth, is charged with certain duties and responsibilities, including “[t]o provide and allow electric power to be provided in a reliable, clean, efficient, resilient, and affordable manner thus contributing to the general wellbeing and sustainable development of the people of Puerto Rico.” Section 6(a) of Act 17-2019.

14. PREPA is the largest public power utility in the U.S. by number of customers served, providing power to approximately 1.5 million customers. PREPA's customers have historically experienced lower quality service than what is available and required in other jurisdictions. The average PREPA customer loses power at least once every 5 to 6 weeks, compared to 1 to 2 times per year for mainland customers. In 2020, PREPA's customers experienced nearly 8 times more service interruptions than customers of the median US utility, with average duration of power outages nearly 10 times longer than for mainland customers.<sup>5</sup>

15. Despite its large customer base, PREPA delivers less than half as much power per customer than comparable mainland utilities. As a result, PREPA has failed to generate revenues sufficient to meet its substantial obligations, including payment of its funded debt and its contributions to the PREPA pension system. In addition, to save costs, PREPA's management historically reduced, or eliminated altogether, prudent and necessary investments in long-term maintenance and capital improvement programs. Historic underspending on vegetation management and other maintenance has resulted in a transmission and distribution system (“T&D System”) highly susceptible to damage from hurricanes, earthquakes, and other unforeseen events.

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<sup>5</sup> 2022 Fiscal Plan for the Puerto Rico Electric Power Authority (“2022 PREPA Fiscal Plan”), Chapter 2.1.

Moreover, PREPA has failed to diversify and maintain its energy generation facilities (“Generation System”), such that PREPA plants have an approximate average age of over 40 years, compared to a national average of 18 years, leaving the Generation System susceptible to heightened outages and unavailability. Puerto Rico’s energy system has been in consistent decline and has long needed revitalization, requiring both time and investment. *Id.*, Chapter 2.2.

16. On April 11, 2019, the Puerto Rico legislature enacted the Puerto Rico Energy Public Policy Act (“Act 17-2019”) to transform and modernize PREPA’s operations. Among other things, Act 17-2019 prohibits the continued vertically-integrated monopoly of Puerto Rico’s electricity system by requiring the unbundling of the electric system through the transfer of operation and maintenance responsibilities of PREPA’s T&D System and Generation System to private operators. This followed the enactment of the Puerto Rico Electric Power System Transformation Act, Act 120-2018, which established and authorized the legal framework required for the sale, disposition, and/or transfer of the assets, operations, functions, and services of PREPA.

17. On June 22, 2020, PREPA and the Public-Private Partnership Authority (“P3”) executed a contract (the “T&D Contract”) with LUMA Energy<sup>6</sup> for it to operate and manage PREPA’s T&D System. Since LUMA Energy assumed control of the T&D System pursuant to the T&D Contract, PREPA’s employee base has been significantly reduced, with thousands of employees either transferring to employment at LUMA Energy or being mobilized to other governmental instrumentalities.

18. On January 19, 2023, PREPA and P3 entered into an agreement with Genera PR LLC for it to operate and manage PREPA’s generation system. Since Genera PR LLC assumed

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<sup>6</sup> “LUMA Energy” shall refer, collectively to LUMA Energy, LLC, a joint venture between Quanta Services and Canadian Utilities Limited, an ATCO Ltd. Company, or to LUMA Energy ServCo, LLC its subsidiary.

control of PREPA's legacy generation assets, approximately several hundred PREPA employees have left PREPA to join Genera PR LLC. PREPA continues to employ a much smaller staff necessary to operate certain hydraulic energy assets not under the contract with Genera PR LLC and to perform certain administrative and other back-office functions. As of June 2023, the certification of PREPA's budget for fiscal year 2024, PREPA's remaining staff includes approximately 139 UTIER members, and only three UEPI members.

### **III. PREPA's Employees and CBAs**

19. As of the Petition Date, to provide generation and transmission services to its customers, PREPA employed approximately 6,400 employees, including approximately 4,500 union members. As of June 2023, PREPA's total employee count had been reduced to approximately 255.

20. PREPA is currently party to collective bargaining agreements (collectively, the "CBAs") with (i) Unión de Trabajadores de la Industria Eléctrica y Riego Inc. ("UTIER" and such CBA, the "UTIER CBA"), and (ii) Union de Empleados Profesionales Independiente de la AEE ("UEPI," together with UTIER, the "Unions," and such CBA, the "UEPI CBA"). Each of the CBAs expired over a decade ago; however they also each contain "evergreen" provisions, such that they continue in full force and effect post-expiration until a new CBA is executed. *See* UTIER CBA, Art. L; UEPI CBA, Art. LVI. The CBAs remain in effect today because neither PREPA nor the Oversight Board have been successful in negotiating new CBAs with the Unions. Certified translations of the UTIER CBA and UEPI CBA are attached hereto as **Exhibit C** and **Exhibit D**, respectively.<sup>7</sup>

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<sup>7</sup> PREPA was formerly a party to collective bargaining agreements with Union Insular de Trabajadores Industriales y Construcciones Eléctricas and Union de Pilotos de Autoridad de Energía Eléctrica, each of which have now

21. Among other things, the CBAs establish certain entitlements such as vacations, sick leave, paid time off, and other employee benefits, as well as work rules relating to the working conditions, the appropriate servicing unit for a given task, penalties for outsourcing union labor to subcontractors or other non-unionized labor, and more. Each of the Unions also alleges significant damages on account of grievances related to violations of these provisions of its CBA. The UTIER POC asserts, among other things, damages in the approximate amount of \$1.125 billion on account of alleged grievances under the UTIER CBA. UEPI filed Proof of Claim number 102302 (the “UEPI POC,” and together with the UTIER POC, the “CBA Claims”) in the amount of approximately \$3.7 million on account of alleged violations of the UEPI CBA.

22. The most significant obligation the CBAs impose on PREPA is the requirement that PREPA maintain a fully-funded defined benefit pension system for employees, and provide retired employees with ongoing retirement benefit accruals and periodic cost of living adjustments (“COLAs”). Pursuant to the CBAs, PREPA’s pension system is operated by the PREPA ERS, a trust established by resolution of PREPA’s governing board in accordance with the UTIER CBA, and each CBA requires that PREPA ERS “must continue to operate subject to proposals for improvements that [PREPA or the Unions] may submit to the PREPA ERS Board of Trustees and that the PREPA ERS Board of Trustees accepts, or that the PREPA ERS Board of Trustees considers appropriate.” *See* UTIER CBA Art. XXXVIII § 1, UEPI CBA Art. XLII. In addition, the CBAs require PREPA to make certain contributions to PREPA ERS. *See* UTIER CBA Art. XXXVIII § 2, UEPI CBA Art. XLII § 2. Specifically, the UTIER CBA requires PREPA to

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automatically terminated because there are no longer any employees covered by such agreements. Accordingly, such agreements are no longer in effect and are not subject to this Motion.

contribute “the necessary amount actuarially calculated to pay a benefit to regular workers, special regular workers, and regular workers with special appointments” to PREPA ERS.

23. PREPA ERS covers current PREPA employees, who pay monthly employee contributions in exchange for future pension benefits, and retired former employees, receiving current monthly pension payments. In addition, the Government and PREPA ERS have asserted former PREPA employees who transferred to employment by the Commonwealth and its agencies and other public corporations as a result of the LUMA Energy or Genera PR LLC transactions are entitled to continue to participate in the PREPA ERS pension. All of PREPA’s full-time employees are eligible to participate in PREPA ERS’s defined benefit pension plan. As of April 2022, there were approximately 12,336 retired employees receiving monthly pension benefits and, as of May 2022, there were approximately 3,592 active employees participating in PREPA’s pension system, including transferees to Commonwealth employment.<sup>8</sup>

#### **IV. PREPA’s Pension Obligations and Union Claims**

24. PREPA ERS is severely underfunded. As of June 30, 2021, PREPA ERS had an asserted actuarial liability to pension participants of approximately \$4.2 billion, which was supported by only \$600 million in assets at market value (not including receivable contributions).<sup>9</sup> Accordingly, only 14% of PREPA ERS’s accrued actuarial liability was covered by its assets as of the end of Fiscal Year 2021. Since then, PREPA ERS’ assets have largely been depleted, and the pension system has become insolvent, requiring PREPA to obtain a \$300 million loan from the Commonwealth to temporarily satisfy its obligations to PREPA ERS through October 2024. This

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<sup>8</sup> 2022 Fiscal Plan at 173 (June 28, 2022).

<sup>9</sup> *Employees’ Retirement System of Puerto Rico Electric Power Authority Report on the Seventy-Sixth Actuarial Valuation as of June 30, 2021* at 1.

recent event underscores the Oversight Board's determination that the pension system is not sustainable under its current structure and must be reformed as provided in PREPA's plan of adjustment.

25. PREPA has failed to make the fully actuarially determined contribution necessary to maintain the solvency of SREAEE for many years. In connection with the pending claim estimation proceedings regarding PREPA's prepetition bonds, SREAEE has asserted it is owed **\$1.2296 billion** in unpaid employer contributions from 2016 to present.<sup>10</sup> It also asserts, based on the estimate of its actuary, PREPA will owe future contributions totaling \$5,067.9 billion through the year 2060.<sup>11</sup>

26. The Oversight Board has determined that the *present value* of the actuarially determined contribution payments PREPA would need to contribute to PREPA ERS to maintain the defined benefit pension system is approximately \$4.420 billion.<sup>12</sup> This estimate assumes, among other things, that (a) the amount of accrued but unpaid actuarially determined contributions by PREPA, which could be as high as \$1 billion or more as asserted by SREAEE,<sup>13</sup> is amortized rather than paid as a lump sum, (b) PREPA ERS achieves a rate of return on its investments of 5.75%, and (c) the amortization period remains the current fixed period resulting in a final amortization in FY 2041, after which the system would be expected to be solvent, assuming all assumptions prove accurate.<sup>14</sup> *Id.* These assumptions might not be met, particularly the rate of

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<sup>10</sup> *SREAEE'S Substantive Opening Brief in Support of Estimation of the Unsecured Net Revenue Claim*, Adv. Pro. 19-391, ECF No. 187 at 9.

<sup>11</sup> *Id.* at 10.

<sup>12</sup> See Levy Decl., ¶ 10.

<sup>13</sup> The Oversight Board reserves all rights to oppose the claims asserted by SREAEE.

<sup>14</sup> Based on the remainder of the amortization period used by the PREPA ERS actuary in the development of historical Actuarially Determined Contributions.

return given the nature of SREAEE's assets, requiring even more funding to be provided to ensure payment of pension benefits. By contrast, after applying a portion of the projected revenues from a rate increase to payments of pensions, the present value of payments PREPA would need to make to fund pension benefits as adjusted by the proposed Plan on a "pay-as-you-go" (PayGo) basis, plus the additional amounts needed to fund the PREPA PayGo Trust as described in the Plan, is approximately \$3.992 billion through 2053. Levy Decl., ¶ 12.

27. Manifestly, the union members' pension claims are treated more favorably than other unsecured claims. Moreover, given the experience of both PREPA and the Commonwealth, the Oversight Board believes PREPA will be more likely to honor pension obligations on a PayGo basis than as actuarially determined employer contributions, as the latter essentially requires saving for future obligations through rate increases. The Oversight Board is not confident PREPA will do so long term given its history with funding the pension system perpetually. Thus, the Oversight Board believes leaving the system unreformed will either put retirees at risk of future nonpayment or the Commonwealth at risk of having to bail out the system in the future.

28. The cost to PREPA's ratepayers of funding the modified pension system is significantly lower. The Oversight Board projects the costs to ratepayers of funding the current pension system without any alterations start at 2.05 cents per kilowatt hour in 2024 and increase to 3.51 cents by 2039. Levy Decl., ¶ 13. By contrast, the projected costs to ratepayers of funding the modifications to the pension system proposed by the Plan start at 2.2 cents in 2024, and ultimately drop below 1 cent by 2056. *Id.* As a result, the modification of the pension system proposed in the Plan will save PREPA over \$425 million on a present value basis, and provide significant savings to PREPA's ratepayers who fund contributions to the pension system through charges on their electricity bills. Levy Decl., ¶ 13.



29. The proposed modifications to PREPA's pension system are also consistent with pension reform previously imposed by the Commonwealth government with respect to ERS pursuant to Act 3-2013, and by the Oversight Board through the Commonwealth's plan of adjustment with respect to TRS and the JRS. Modifying PREPA's pension obligations as set forth in the Plan will align the treatment of PREPA's employees and retirees with other governmental employees. As with the Commonwealth, the Oversight Board has determined these reforms are necessary to avoid the risk of future insolvency of PREPA ERS and either nonpayment of pension benefits or emergency bailouts from the Commonwealth treasury.

30. In addition to PREPA's obligation to make pension contributions to PREPA ERS, PREPA provides various other employment benefits to employees pursuant to the CBAs, including vacation and sick leave, paid holidays, bonuses, overtime pay, and health insurance. The Oversight Board has determined these provisions, which provide PREPA's represented employees greater benefits than other similarly positioned governmental employees, are overly-burdensome to PREPA and inconsistent with Commonwealth law—specifically, Act 26-2017, enacted on April 29, 2017 ("Act 26-2017"). The Oversight Board has therefore determined the CBAs should be modified to align with Act 26-2017, standardizing benefits across the Commonwealth and its agencies and public corporation including, among other things, by (i) reducing vacation and sick leave benefits, the number of public holidays, and certain bonuses, (ii) replacing overtime pay with compensatory time up to certain caps, (iii) eliminating the cash-out payment for sick day accruals and capping vacation leave accruals at sixty (60) days, and (iv) nullifying any provision of a collective bargaining agreement that provides fringe benefits in excess of those set forth in Act 26-2017. Thus far neither of the Unions has accepted these modifications, and thus the additional cost savings for PREPA further warrant rejection of the CBAs.

31. A significant reduction in PREPA's pension obligations, and additional modifications to the CBAs, are essential to PREPA's successful restructuring. Similarly, a reduction of the pension obligation and providing similar treatment to PREPA's retirees as the Commonwealth's retirees and ensuring that participants in PREPA ERS share the burden of the PREPA restructuring, ensures the equitable nature of PREPA's restructuring. Accordingly, the Oversight Board has engaged in negotiations with the Unions regarding PREPA's unsustainable benefit obligations in pursuit of a consensual resolution of these issues.

32. Notably, the burden of PREPA's financial distress is being shared by PREPA's other constituencies. Unlike other creditors who have gone without interest for over six years, the Union members' pensions have been paid in full at all times. Additionally, other creditors' claims are being paid much smaller percentage distributions than the Union members' claims.

#### **V. Negotiations Regarding CBA Modification**

33. On August 9, 2022, counsel to the Oversight Board provided counsel to UTIER (as a party to the ongoing mediation of PREPA disputes) a proposal<sup>15</sup> for modifications to the UTIER CBA, including proposed reform to the pension system. Concurrent with the proposal, counsel to the Oversight Board also delivered a proposal to counsel to PREPA ERS containing the same proposed pension reform. The Oversight Board responded to document requests received by counsel to UTIER and provided certain requested materials, including analysis and other support for the economic implications of the proposed modifications to the UTIER CBA and to the pension system. On March 22, 2023, without having received any response to its initial offer, counsel to the Oversight Board delivered a revised informal proposal to counsel to UTIER, which would

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<sup>15</sup> The proposals and communications made by the Oversight Board are subject to Rule 408 of the Federal Rules of Evidence, the mediation privilege and were shared with PREPA's Mediation Team, in addition to the Unions. Accordingly, such proposals are not described in detail in this Motion or attached hereto.

revise the original proposal by offering certain additional concessions to UTIER's benefit in light of the pending transaction with Genera PR.

34. On April 24, 2023, counsel to UTIER delivered to the Oversight Board its first counterproposal (the "First UTIER Counter"). The First UTIER Counter did not adequately address the Oversight Board's concerns regarding the reform of SREAE or prepetition grievance claims. On May 30, 2023, the Oversight Board provided a written counterproposal to the First UTIER Counter.

35. On June 12, 2023, counsel to UTIER delivered to the Oversight Board its second counterproposal (the "Second UTIER Counter"), which was substantially similar in material terms to the First UTIER Counter.

36. On September 29, 2023, the Oversight Board delivered to UTIER a best-and-final counterproposal for the consensual modification of the UTIER CBA, containing only the absolute bare minimum provisions determined by the Oversight Board to be necessary to successfully effectuate PREPA's restructuring. A meeting between the parties to discuss this final proposal was initially scheduled for October 11, but was subsequently deferred at the request of counsel to UTIER. Also at counsel to UTIER's request, on October 23, 2023, the Oversight Board delivered a formal term sheet to UTIER documenting the terms of the best-and-final counterproposal.

37. On November 6, UTIER's counsel delivered a letter to the Oversight Board requesting that the Oversight Board "leave [the counterproposal] open until negotiations with the Board of Trustees of PREPA's Employees Retirement System have officially concluded." In response to the November 6 letter, counsel to the Oversight Board indicated that it could not do so, and that "UTIER should assume for purposes of our discussion [the Plan treatment of the

pension claims] will be implemented,” and requested immediate engagement on further negotiations. Unfortunately, no further negotiations have taken place.

38. With respect to the UEPI CBA, on September 1, 2022, counsel to the Oversight Board provided counsel to UEPI with a proposal for modifications to the UEPI CBA and requested that UEPI engage in mediation with the Oversight Board to negotiate a consensual amendment to the UEPI CBA. Despite multiple follow-up emails and outreach to counsel to UEPI throughout the past year, no response has been received.

39. Accordingly, the Oversight Board has determined it is unable to reach an agreement with the Unions regarding necessary modifications, and therefore seeks authority to reject the CBAs to enable it to implement a restructuring of PREPA’s pension and labor obligations that ensures PREPA ERS will be able to continue to make accrued pension payments, creates significant savings for PREPA and its ratepayers, and is consistent with Puerto Rico law and the pension and benefit reforms established by the Commonwealth plan of adjustment.

### **RELIEF REQUESTED**

40. By this Motion, PREPA, through the Oversight Board, seeks entry of an order pursuant to section 365(a) of the Bankruptcy Code authorizing PREPA to reject the CBAs, and granting such other relief as is just and proper.

### **BASIS FOR RELIEF**

#### **I. The CBAs May Be Rejected in PREPA’s Business Judgment, and no Heightened Standard Applies to Rejection of the CBAs Although It Has Been Satisfied.**

41. Section 365 of the Bankruptcy Code, made applicable in this Title III Case by PROMESA section 301(a), provides that a debtor, “subject to the court’s approval, may assume or reject an executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). “Rejection ‘releases the debtor’s estate from burdensome obligations that can impede a successful

reorganization.”” *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 9 F.4th 1, 8 (1st Cir. 2021) (citing *In re BankVest Cap. Corp.*, 360 F.3d 291, 296 (1st Cir. 2004). PROMESA does not include Bankruptcy Code section 1113 that was enacted after *NLRB v. Bildisco & Bildisco*, 465 U.S. 513 (1984) (“*Bildisco*”), which provides collective bargaining agreements with enhanced protection by mandating an expedited negotiation process for modifying a collective bargaining agreement and by mandating judicial evaluation of a motion to reject a CBA if negotiations are unsuccessful. In addition, while the heightened standard for rejection of certain collective bargaining agreements articulated by the Supreme Court in *Bildisco* does not apply in this Title III case, the lengthy bargaining process and provisions of data, together with the burden absorbed by other creditors, and the impossibility of assuming multibillion dollar obligations show rejection is necessary for reorganization and *Bildisco*’s standards have been satisfied in any event. As a statutory matter, the CBAs may be rejected if PREPA has advanced a business or governmental justification for their rejection. *See In re Fin. Oversight & Mgmt. Bd. for P.R.*, 9 F.4th at 12–13 (“Bankruptcy courts generally approve motions brought under section 365(a) under the deferential business judgment rule.”) (citations and quotations omitted).

**A. No Heightened Standard Applies to the Rejection of the CBAs.**

42. The Supreme Court’s holding in *Bildisco*, which is often cited in support of a heightened standard for a debtor’s rejection of collective bargaining agreements in the absence of application of section 1113, does not apply to the CBAs because they are not subject to a competing federal law, specifically the National Labor Relations Act. Likewise, Congress, in contrast to chapter 11 cases which are subject to section 1113, has not imposed any heightened standard for the rejection of collective bargaining agreements in the Title III cases. Accordingly, the business

judgment standard set forth in section 365 of the Bankruptcy Code applies to the rejection of the CBAs.

43. As this Court recognized in holding *Bildisco*'s heightened standard was inapplicable to PREPA's assumption of certain energy contracts, the Supreme Court in *Bildisco* departed from the ordinary business judgment standard due to the "special nature of a collective-bargaining contract *under federal law*." *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 618 B.R. 349, 359 (D.P.R. 2020) (emphasis added) (citations and quotations omitted). The basis of the Supreme Court's heightened standard in *Bildisco* was the conflict between two competing federal statutory priorities: on the one hand, a debtor's ability to unilaterally reject an executory contract under section 365(a), and on the other, the National Labor Relations Act, 29 U.S.C. §§ 151–169 (the "NLRA"), which establishes certain requirements for the negotiation of modifications to collective bargaining agreements by private employers engaged in interstate commerce. *See Bildisco*, 465 U.S. at 519. As the First Circuit observed in determining the *Bildisco* standard did not apply to a contract assumption motion, the heightened standard was only needed because "allowing rejection of the contracts under the deferential business-judgment standard necessarily would have undermined the *federal* laws and policies that otherwise governed the contracts." *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 9 F.4th at 13–14 (emphasis added).

44. In *Bildisco*, the Supreme Court "[r]ecogniz[ed] that employers in bankruptcy had no enforceable duty to bargain in good faith with unions under the [NLRA]," and found a requirement of "reasonable efforts to negotiate a voluntary modification" to collective bargaining agreements "was necessary to avoid undermining the NLRA's policies." *See In re Fin. Oversight & Mgmt. Bd. for P.R.*, 9 F.4th at 13; *see also Bildisco*, 465 U.S. at 526 ("Before acting on a petition to modify or reject a collective-bargaining agreement, however, the Bankruptcy Court should be

persuaded that reasonable efforts to negotiate a voluntary modification have been made and are not likely to produce a prompt and satisfactory solution. *The NLRA requires no less.*”) (emphasis added); *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 618 B.R. at 359 (citing *In re Bildisco*, 682 F.2d 72, 78 (3d Cir. 1982)) (“Application of heightened scrutiny to the rejection of collective bargaining agreements allowed courts to ‘reconcile the apparent conflict between the NLRA’—which ‘provides that no party to a collective bargaining agreement may terminate or modify the agreement without following a specified procedure’—with the deferential standard that is generally applicable to the rejection of executory contracts pursuant to Section 365(a).”). The *Bildisco* Court’s holding was premised on the conflict between the competing federal statutory provisions of the NLRA and the business judgment standard of section 365 of the Bankruptcy Code.

45. The *Bildisco* standard is not implicated by the instant motion because the NLRA does not apply to PREPA. An “employer” subject to the NLRA “shall not include the United States or any wholly owned Government corporation . . . or any State or political subdivision thereof . . .” 29 U.S.C. § 152(2) (defining “employer” for purposes of the NLRA). Accordingly, the NLRA does not apply to public corporations such as PREPA.<sup>16</sup> See *NLRB v. Yeshiva Univ.*, 444 U.S. 672, 704 n.17 (1980) (Brennan, J., dissenting) (“[T]he NLRA is not applicable to any public employer.”); *Chaparro-Febus v. Int’l Longshoremen Ass’n, Local 1575*, 983 F.2d 325, 329 (1st Cir. 1992) (“[A] political subdivision of the Commonwealth of Puerto Rico, is specifically excluded from the term ‘employer’ as defined by 29 U.S.C. § 152(2).”). Because the NLRA is

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<sup>16</sup> PREPA is a public corporation and governmental instrumentality of Puerto Rico pursuant to Act No. 83, approved May 2, 1941.

inapplicable, the federal policy considerations underlying the Supreme Court’s decision in *Bildisco* are not at issue here.

46. Congress could have required a heightened standard to the rejection of collective bargaining agreements in Title III cases, but declined to do so. As this Court has recognized, “Congress has only rarely modified the application of Section 365 to provide for different standards or procedures for assumption or rejection of particular types of contracts.” *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 618 B.R. at 360. Section 1113 of the Bankruptcy Code, which was enacted in response to *Bildisco*, and which creates a heightened standard for the rejection of collective bargaining agreements in chapter 11 cases, is not incorporated into PROMESA. *See* PROMESA § 301 (listing Bankruptcy Code provisions incorporated into PROMESA). Congress’s decision not to impose a heightened burden on the rejection of collective bargaining agreement by debtors under PROMESA is deemed intentional. *Bildisco*, 465 U.S. 513, 523 (“Obviously, Congress knew how to draft an exclusion for collective-bargaining agreements when it wanted to; its failure to do so in this instance indicates that Congress intended that § 365(a) apply to all collective-bargaining agreements . . . .”); *see also Mason v. Official Comm. of Unsecured Creditors (In re RBI Distrib. Corp.)*, 330 F.3d 36, 44 (1st Cir. 2003) (“[I]n response to *Bildisco*, Congress amended the Code by adding 11 U.S.C. § 1113, which provides special treatment for collective bargaining agreements . . . .”); *see also In re PJ Rosaly Enters. Inc.*, 578 B.R. 682, 689 (Bankr. D. P.R. 2017) (“[s]ection 1113 was enacted ‘rather hurriedly in response to the Supreme Court’s decision in [*Bildisco*]’” and “with § 1113, Congress clearly manifested its intent that CBAs be treated differently than other executory contracts with respect to rejection”) (citations omitted).

47. In contrast to *Bildisco*, where there is no “comparable federal or Commonwealth policy that would be circumvented by the Court’s application of the deferential standard that is



typically applicable to contract assumption motions” nor “any indication of congressional intent to vary that deferential standard,” the business judgment standard applies here. *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 618 B.R. at 359. This Court has recognized, in these Title III cases, that public impact alone does not subject the assumption or rejection of a contract to heightened scrutiny. “The Supreme Court’s decision in *Bildisco* does not extend so far as to support the notion that any contract assumption that may have a significant public impact must be subjected to a higher standard of scrutiny; many decisions taken by many debtors (including the debtors in the above-captioned Title III cases) can have far-reaching consequences for their stakeholders.” *Id.* Had Congress wished to apply a heightened standard to the rejection of collective bargaining agreements in the Title III cases, it could have done so. It elected not to do so. Accordingly, rejection of the CBAs is determined under section 365’s deferential business judgment standard.

#### **B. Rejection of the CBAs Is a Sound Exercise of PREPA’s Business Judgment**

48. Pursuant to section 365 of the Bankruptcy Code, to assume or reject an executory contract, “a debtor must simply put forth a showing that assumption or rejection of the executory contract or unexpired lease will benefit the [d]ebtor’s estate.” *In re Vent Alarm Corp.*, Case No. 15-09316-MCF11, 2016 WL 1599599, at \*3 (Bankr. D.P.R. Apr. 18, 2016). A court generally will not second-guess a debtor’s business judgment regarding whether the assumption or rejection of an executory contract will benefit the debtor or its estate. *In re Genco Shipping & Trading Ltd.*, 509 B.R. 455, 463 (Bankr. S.D.N.Y. 2014). Further, a court is required to defer to a debtor’s business judgment unless the decision is the product of “bad faith, or whim or caprice.” *In re Old Carco LLC*, 406 B.R. at 190 (Bankr. S.D.N.Y. 2009) (citing *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001)); *see also Comput. Sales Int’l, Inc. v. Fed. Mogul (In re Fed.*

*Mogul Global, Inc.*), 293 B.R. 124, 126 (Bankr. D. Del. 2003) (explaining that under the business judgment standard, a court should defer to a debtor’s decision with respect to contract assumption or rejection, “unless that decision is the product of bad faith or a gross abuse of discretion”). If a debtor has exercised reasonable business judgment, the court should approve the proposed contract rejection. *See In re Maiden Brooks Farm LLC*, 435 B.R. 81, 83 (Bankr. D. Mass. 2010) (noting that courts afford deference to debtors under the business judgment rule). The Court’s inquiry “does not include an evaluation of whether the Debtors made the *best or even a good* business decision but merely that the decision was made in an exercise of the Debtor’s business judgment.” *In re Old Carco LLC*, 406 B.R. 180, 196 (Bankr. S.D.N.Y. 2009) (emphasis in original).

49. Pursuant to PROMESA, the Oversight Board’s discretion is afforded even greater deference. *See In re Fin. Oversight & Mgmt. Bd. for P.R.*, 432 F. Supp. 3d 25, 30–31 (D.P.R. 2020), *aff’d*, 954 F.3d 1 (1st Cir. 2020). As this Court has noted:

The Oversight Board is designated, in the first instance, as the entity that makes important strategic and tactical judgments in managing these restructuring proceedings, and it necessarily does so in a holistic manner. While pursuing returns for creditors of each debtor is an important element of those judgments, it is not the exclusive end point of the Oversight Board’s task. The needs, concerns and future of a political entity that is the home of millions of American citizens, as well as the needs, concerns and rights of a broad range of parties in interest and the ability to propose confirmable plans of adjustment, are all implicated here. The Oversight Board has been given the responsibility of balancing and prioritizing the relevant issues and concerns in developing fiscal arrangements and plans of adjustment, and it is entitled to a measure of deference in carrying out this responsibility

*Id.* The First Circuit has recognized the Oversight Board’s broad discretion in the context of pension reform. *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 32 F.4th 67, 78 (1st Cir. 2022) (“Congress was plainly intent on not just reducing the island’s debt, but also improving its government’s fiscal practices going forward. Given this context, it would make little sense for the Board to have no ability to restrict accruals under the very pension payment regime that helped

create the crisis in the first place.”). Just as PROMESA permitted the Oversight Board to reject the contractual obligation requiring continued accrual of pension obligations to certain of the Commonwealth’s teachers and judges, so too it allows the rejection of CBAs that require the unaltered maintenance of PREPA’s pension obligations.

50. Upon review and analysis of PREPA’s significant obligations under the CBAs, the Oversight Board has determined that rejection of the CBAs, permitting modification of its pension and benefits obligations pursuant to and consistent with the Plan, is in the best interests of PREPA and its creditors, employees, and customers. PREPA cannot afford to cure the over \$1.2 billion in *current* underfunding asserted by SREAAE and maintain the defined benefit plan in perpetuity, as would be required to assume the CBAs. In addition, the costs and risks of maintaining PREPA’s pension system as-is are significantly higher than the costs and risks of maintaining a pension system as modified pursuant to the Plan—both to PREPA, its ratepayers, and its retirees. As explained above, rejection of the CBAs will save PREPA approximately \$425 million on a net present value basis. Levy Decl., ¶ 13. This will significantly reduce the risk of future insolvency. Finally, the proposed modifications will align PREPA’s pension system and the treatment of PREPA’s retirees with the Commonwealth’s three pension systems, which were modified in a substantially identical manner in the Commonwealth’s Title III case. For each of these reasons, rejecting the CBAs is a sound exercise of PREPA’s business judgment, and should be approved by the Court.

## **II. The *Bildisco* Standard, Although Inapplicable to the CBAs, Is Nevertheless Satisfied.**

51. The Oversight Board’s goal has always been to enter into consensual modifications of the CBAs, and the Oversight Board spent over a year pursuing that possibility, offering multiple proposals and offering further concessions to the Unions each time. Unfortunately, a consensual

amendment to the CBAs has not been reached. Even if *Bildisco* were to apply, which it does not, PREPA has satisfied the heightened standard for the rejection of the CBAs, and rejection of the CBAs should therefore be approved. Under *Bildisco*, a court may approve the rejection of a collective bargaining agreement when (i) “reasonable efforts to negotiate a voluntary modification have been made and are not likely to produce a prompt and satisfactory solution,” (ii) “the parties’ inability to reach an agreement threatens to impede the success of the debtor’s reorganization,” and (iii) a balance of the equities favors rejection. *Bildisco*, 465 U.S. at 525–27; *see also In re Fin. Oversight & Mgmt. Bd. for P.R.*, 618 B.R. at 359–60 (explaining the Supreme Court in *Bildisco* held a debtor seeking to reject a collective bargaining agreement “would have to demonstrate that ‘reasonable efforts to negotiate a voluntary modification have been made and are not likely to produce a prompt and satisfactory solution’ . . . and then would have to show that ‘the collective-bargaining agreement burdens the estate, and that after careful scrutiny, the equities balance in favor of rejecting the labor contract.’”).

52. Although PREPA may reject the CBAs in its business/governmental judgment for the reasons explained above, the *Bildisco* standard is nevertheless satisfied.

**A. The Oversight Board’s Efforts to Negotiate a Voluntary Modification Are Unlikely to Produce a Prompt and Satisfactory Solution.**

53. *Bildisco* provides that, in determining whether a collective bargaining agreement may be rejected, a court should consider whether “reasonable efforts to negotiate a voluntary modification have been made and are not likely to produce a prompt and satisfactory solution.” *Bildisco*, 465 U.S. at 526. In evaluating the parties’ efforts, the court “need not determine that the parties have bargained to an impasse.” *Id.* The Oversight Board has made reasonable efforts to negotiate consensual modifications to the CBAs. For almost a year and a half, since August 2022, the Oversight Board has engaged with the Unions in pursuit of a consensual modification to the

CBAs. With respect to UTIER, the Oversight Board has made multiple proposals, responded to requests for documentation and analysis, and attempted to reach a resolution adequately addressing the primary issue of necessary modifications to the defined benefit pension system. With respect to UEPI, despite the Oversight Board's multiple efforts, the union has not engaged in any interaction with the Oversight Board with respect to its proposal(s).

54. The Oversight Board's efforts were reasonable, but it has become evident that a consensual resolution with UTIER is unlikely, and UEPI will not meaningfully engage in negotiations.<sup>17</sup> A "union's manifest failure to participate meaningfully in the post-petition negotiations confirms its lack of justification for rejecting [a debtor's] proposed modifications" to a collective bargaining agreement. *Truck Drivers Local 807, Int'l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am. v. Carey Transp. Inc.*, 816 F.2d 82, 92 (2d Cir. 1987). With the pension system already insolvent absent extraordinary Commonwealth funding, and facing an upcoming inability to fund current retiree pension obligations, the Oversight Board can no longer afford to wait to address its concerns where no prompt and satisfactory solution is in reach. *See Bildisco*, 465 U.S. at 526.

55. Accordingly, the Oversight Board submits that it has made reasonable efforts to negotiate a voluntary modification to the CBAs with the Unions, and is unlikely to reach a consensual resolution.

**B. The Inability to Reach a Consensual Modification of the CBAs Threatens PREPA's Reorganization.**

56. In determining whether "the parties' inability to reach an agreement threatens to impede the success of the debtor's reorganization," *Bildisco*, 465 U.S. at 526, courts consider the

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<sup>17</sup> Importantly, there are only three remaining PREPA employees represented by UEPI.

burdens of a collective bargaining agreement on a debtor's estate. *See id.* ("the Bankruptcy Court should permit rejection of a collective-bargaining agreement under § 365(a) of the Bankruptcy Code if the debtor can show that the collective-bargaining agreement burdens the estate, and that after careful scrutiny, the equities balance in favor of rejecting the labor contract"); *In re Briggs Transp. Co.*, 39 B.R. 343, 357 (Bankr. D. Minn. 1984) ("Considering . . . the burdensome nature of the contracts and the apparent inability to reach any agreement to modify the contracts voluntarily, I think it is clear that the parties' inability to reach an agreement threatens to impede the successful reorganization of this debtor.").

57. The pension obligations imposed on PREPA through the CBAs are highly burdensome and threaten its ability to reorganize. As is explained above, were the CBAs to be assumed, PREPA may need to pay a backlog of over \$1.2 billion in employer contributions to SREAE and fund over \$5 billion in future payments as asserted by SREAE. *See SREAE's Substantive Opening Brief in Support of Estimation of the Unsecured Net Revenue Claim* [Adv. Pro. No. 19-00391, ECF No. 187] at 9-10 (citing the *Expert Declaration of Mr. José Fernández, President and Consulting Actuary of Fase2 C&W, LLC in Support of the Employee's Retirement System of Puerto Rico Electric Power Authority's Substantive Brief*). The Oversight Board has calculated that PREPA's contribution obligations to an unreformed pension system would be at least \$4.420 billion on a present value basis. PREPA simply does not have the ability to pay these liabilities without imposing excessive rate increases on its customers. The proposed modifications to PREPA's pension system will save PREPA and its ratepayers over \$425 million on a present value basis and avoid the risk of having to make a payment of over \$1.2 billion to SREAE upon its exit from Title III.

58. Additionally, failure to renegotiate or reject the CBAs would require their assumption, or other treatment that would leave the CBA Claims unimpaired by the Title III Plan. Simply put, PREPA does not have the financial ability to leave up to \$1.125 billion in CBA Claims for grievances, as asserted in the UTIER POC, unimpaired.

59. Limiting the costs imposed on ratepayers is also essential to PREPA's successful restructuring. Larger rate hikes obviously increase the risk of accelerated conversions to solar and render Puerto Rico less competitive and more burdensome to residents. Imposing significant costs on ratepayers to fully fund the pension system as currently structured may result in many ratepayers being unable to afford their electricity costs, and to leave PREPA's electricity grid or consume less than reasonable as a result. PREPA's ratepayers are its sole source of revenue, and ensuring that they remain on PREPA's grid and make payments to PREPA is essential to PREPA's ability to restructure not only its pension obligations, but all of its outstanding debt.

60. For these reasons, the Oversight Board submits rejection of the CBAs is necessary.

### **C. The Balance of Equities Favors Rejection.**

61. Pursuant to *Bildisco*, "if the debtor can show that the collective-bargaining agreement burdens the estate, and that after careful scrutiny, the equities balance in favor of rejecting the labor contract," a collective bargaining agreement may be rejected. *Bildisco*, 465 U.S. at 526. "The Bankruptcy Code does not authorize freewheeling consideration of every conceivable equity, but rather only how the equities relate to the success of the reorganization." *Bildisco*, 465 U.S. at 527. Accordingly, the Court must "balance the interests of the effected parties, including the debtor, creditors, and employees, as they relate to the success of the reorganization. *In re Fin. Oversight & Mgmt. Bd. for P.R.*, 9 F.4th at 13.

62. The balance of equities clearly supports rejection of the CBAs. With only approximately \$2.5 billion in distributable value allocable to creditors under the proposed Plan,<sup>18</sup> PREPA cannot possibly sustain obligations to pay in full up to \$1.125 billion in contractual CBA grievance claims, and fund a pension backlog of approximately \$1.2 billion. It is undeniable that PREPA will be unable to restructure if it must cure PREPA's defaults. Such an outcome would harm all PREPA's stakeholders. Furthermore, maintaining the pension system on a go-forward basis would provide PREPA's pensioners with better treatment than other public pensions and would cost PREPA hundreds of millions more over a 30-year period. The proposed modifications to the pension system will convert it to a more sustainable and less expensive "PayGo" system that will be better positioned to continue making payments to its participants in the future. The proposed modifications<sup>19</sup> will also align PREPA retirees' benefits with the pension benefits provided to other governmental employees, including the benefits for teachers and judges implemented through modifications to TRS and JRS pursuant to the Commonwealth's plan of adjustment.<sup>20</sup> The Unions may argue modifying the pension system as set forth in the Plan will harm pension participants by impacting the pension benefits they receive. However, pensioners and employees will not have their accrued pensions through the Effective Date impaired, the alternative to these modifications is an insolvent PREPA ERS that may become unable to make any pension payments whatsoever.

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<sup>18</sup> See 2023 Certified Fiscal Plan for the Puerto Rico Electric Power Authority at 146.

<sup>19</sup> The proposed modifications (i) close the pension system to future participants, (ii) freeze pension benefits as of the effective date of PREPA's plan of adjustment for current active participants, (iii) eliminate COLAs, and (iv) establish a "PayGo Trust" to support the payment of pensions

<sup>20</sup> In addition, PREPA seeks to modify certain non-pension obligations set forth in the CBAs, including vacation and sick leave, paid holidays, bonuses, overtime pay, and other benefits. The proposed modifications of these terms of the CBAs are consistent with Commonwealth law, specifically, Act 26-2017, and the treatment of other governmental employees.



63. Further, as is discussed above, the proposed modifications to the CBAs will create significant savings for PREPA and its customers, who must fund contributions to PREPA ERS through increases to their electricity costs. Absent modification to PREPA's pension system and the corresponding reduction in costs, PREPA's ratepayers may be faced with additional burdensome increases to their electricity rates that they cannot afford, leaving residents of Puerto Rico struggling to afford electricity or forced to leave PREPA's electricity grid, which would be detrimental to PREPA's overall revenues and ability to restructure.

64. By contrast, any harm to the Unions and their active members imposed by rejection will be significantly smaller. As a result of the Genera transaction, the number of active UTIER represented people employed by PREPA has further declined from over 700 to approximately 139, with that number expected to fall over the next several months. The number of active UEPI employees has declined from over fifty to three. Maintaining these CBAs, which will require a substantial expenditure by PREPA to maintain PREPA ERS as-is, to assume CBAs that will cover so few people, makes little economic sense for PREPA and its customers who will bear the burden.

65. Accordingly, the Oversight Board submits that the balance of equities favors rejection of the CBAs. Modifications to the pension system are necessary to ensure PREPA ERS's future solvency and ability to continue making distributions, will align PREPA employees' benefits with the retirement benefits of other governmental employees, and will create significant savings for PREPA and its ratepayers.

66. For the foregoing reasons, the proposed rejection of the CBAs is a sound exercise of PREPA's business judgment, and the Court should approve such rejection. Although the heightened standard for rejection of certain collective bargaining agreements established in *Bildisco* does not apply to the CBAs, that standard is nevertheless satisfied. The Oversight Board

made reasonable efforts to negotiate consensual modifications to the CBAs with the Unions. Absent such modifications, the burdens imposed by the CBAs will threaten PREPA's restructuring, and the balance of interests of PREPA and its stakeholders, including its customers and employees, favors rejection. Accordingly, the rejection of the CBAs is also appropriate under *Bildisco* and should be approved by the Court.

67. The Oversight Board has waited until now to file this Motion in furtherance of negotiations, but given the pending confirmation hearing, it must proceed to seek rejection to reserve its right to do so under section 365(d)(2). Without slowing prosecution of this Motion, the Oversight Board will engage in more negotiations with the Unions if they desire to engage.

#### **CERTIFICATE OF NO OBJECTION**

68. The relief requested in the Motion may be granted without a hearing if no objection is timely filed, served, and received in accordance with the *Eighteenth Amended Notice, Case Management and Administrative Procedures* [Case No. 17-3283-LTS, ECF No. 25937-1] (the "Case Management Procedures"). The Case Management Procedures state parties may request relief without a hearing by filing a certificate of no objections ("CNO"), provided that the notice filed with the request for relief includes a statement that the request for relief may be granted and an order entered without a hearing unless a timely objection is made. After the objection deadline has passed, and no objection has been filed or served in accordance Case Management Procedures, PREPA may file a CNO indicating that no objection has been filed or served and submit an order granting the relief requested.

#### **NOTICE**

69. PREPA has provided notice of this Motion in accordance with the Case Management Procedures to the following parties: (a) the Office of the United States Trustee for

the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for PREPA's bonds; (c) any statutory committee (if any) appointed in this Title III Case; (d) the Office of the United States Attorney for the District of Puerto Rico; (e) the Puerto Rico Fiscal Agency and Financial Advisory Authority; (f) counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority; (g) the Union de Trabajadores de la Industria Electrica y Riego; (h) counsel to the Union de Trabajadores de la Industria Electrica y Riego; (i) the Union de Empleados Profesionales Independiente de la AEE; (j) counsel to the Union de Empleados Profesionales Independiente de la AEE; (k) the Puerto Rico Department of Justice; and (l) all parties filing a notice of appearance in PREPA's Title III Case. A copy of the Motion is also available at <https://cases.ra.kroll.com/puertorico/>.

70. The Oversight Board submits that, in light of the nature of the relief requested, no other or further notice need be given

WHEREFORE PREPA respectfully requests entry of an order, substantially in the form attached hereto as **Exhibit A**, (i) approving rejection of the CBAs as of the Effective Date, and (ii) granting such other and further relief as is just.

*[Remainder of page intentionally left blank]*

Dated: January 2, 2024  
San Juan, Puerto Rico

/s/ Luis F. del Valle-Emmanuelli

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*Co-Attorney for the Financial  
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Respectfully submitted,

/s/ Martin J. Bienenstock

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*Attorneys for the Financial  
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as representative for PREPA*

**Exhibit A**

**Proposed Order**

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

**ORDER GRANTING MOTION OF PUERTO RICO ELECTRIC POWER  
AUTHORITY FOR ORDER (I) APPROVING REJECTION OF COLLECTIVE  
BARGAINING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Upon the *Motion of Puerto Rico Electric Power Authority for Order (I) Approving Rejection of Collective Bargaining Agreements and (II) Granting Related Relief* (the “Motion”)<sup>2</sup>; and the Court having subject matter jurisdiction over this matter pursuant to section 306(a) of PROMESA; and venue in this district being proper pursuant to section 307(a) of PROMESA; and the rejection of the CBAs representing a sound exercise of PREPA’s business judgment and the relief requested in the Motion being in the best interests of PREPA, its creditors, its customers, and other parties in interest; and PREPA having provided adequate and appropriate notice of the Motion under the circumstances and no other or further notice being required; and the Court having reviewed the Motion and having heard the statements of counsel in support of and opposed to the Motion at a hearing held before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and upon the record herein, after due deliberation thereon:

**IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.
2. Pursuant to section 365 of the Bankruptcy Code, made applicable in this Title III Case pursuant to PROMESA section 301(a), PREPA’s rejection of the CBAs listed on **Schedule 1** to this Order is approved upon entry of this Order.
3. Any claims based on the rejection of the CBAs must be filed on or before 4:00 p.m. (Atlantic Standard Time) on the first business day that is thirty-five (35) calendar days after the entry of the Order by the Court authorizing such rejection.

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<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

4. Notwithstanding any applicability of any Bankruptcy Rule, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. PREPA and the Oversight Board, as PREPA's representative, are authorized to take all actions, and to execute all documents, necessary or appropriate, to effectuate the relief granted in this Order in accordance with the Motion.

6. The Court shall retain exclusive jurisdiction to hear and determine any and all disputes related to or arising from the implementation, interpretation, and enforcement of this Order.

Dated: \_\_\_\_\_, 2024

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HONORABLE LAURA TAYLOR SWAIN  
United States District Judge



**Schedule 1**

**Rejected CBAs**

1. Collective Bargaining Agreement dated August 2008 by and between Puerto Rico Electric Power Authority and the Union de Trabajadores de la Industria Electrica y Riego
2. Collective Agreement dated February 13, 2008, by and between Puerto Rico Electric Power Authority and the Union de Empleados Profesionales Independiente de la AEE

**Exhibit B**

**Levy Declaration**

**UNITED STATES DISTRICT COURT  
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.<sup>1</sup>

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO ELECTRIC POWER AUTHORITY,

Debtor.

PROMESA

Title III

No. 17 BK 4780-LTS

**DECLARATION OF SHEVA R. LEVY IN RESPECT OF THE  
MOTION OF PUERTO RICO ELECTRIC POWER  
AUTHORITY FOR ORDER (I) APPROVING REJECTION OF COLLECTIVE  
BARGAINING AGREEMENTS AND (II) GRANTING RELATED RELIEF**

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<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico ("Commonwealth") (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

I, Sheva R. Levy, hereby declare and state as follows:

1. I am a Principal of Ernst & Young LLP (“EY”) in the People Advisory Services practice. I received my bachelor’s degree in mathematics from Cleveland State University in 1998. In January 1999, I joined EY in a staff position and have worked in various roles at EY for 25 years. In July 2014 I was promoted to Principal at EY, in which capacity I lead a team of actuarial consultants who focus on issues relating to defined benefit pensions and other post-retirement programs. I am an Enrolled Actuary, an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries, and I meet the American Academy of Actuaries’ “General Qualification Standard for Prescribed Statements of Actuarial Opinions” relating to pension plans.

2. EY was first engaged by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), on or around February 15, 2017.

3. During EY’s engagement, I have been responsible for conducting actuarial analyses regarding pension systems in Puerto Rico, including the pension system for PREPA, Sistema de Retiro de Empleados de la Autoridad de Energía Eléctrica (“PREPA ERS”), to, among other things, estimate the financial impact of pension reform measures proposed by the Oversight Board and support the Oversight Board in its negotiations with certain counterparties. In this role, I have been and am in regular contact with the members of the Oversight Board, its staff, its counsel, and other advisors.

4. I submit this declaration (this “Declaration”) in connection with the *Motion of Puerto Rico Electric Power Authority for Order (I) Approving Rejection of Collective Bargaining Agreements and (II) Granting Related Relief* (the “Motion”).<sup>2</sup> My statements set forth in this

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or the Plan, as applicable.

Declaration are based on my personal knowledge except where I reference specific documents or communications as the basis of my statements. In those instances where I reference a specific document or communication, I am not taking any position on the admissibility of that document or communication.

**I. Puerto Rico Electric Power Authority Employees' Retirement System**

**A. Establishment and Structure of PREPA ERS**

5. It is my understanding based on information contained in 2023 Fiscal Plan for the Puerto Rico Electric Power Authority, 147 (June 23, 2023) (the "2023 Fiscal Plan") that in accordance with the 1942 CBA between PREPA and the Unión de Trabajadores de la Industria Eléctrica y Riego, Inc. ("UTIER"), PREPA's governing board adopted a resolution establishing an employee retirement system for PREPA, SREAEE the PREPA ERS. *See also Disclosure Statement for the Modified Second Amended Title III Plan of Adjustment of the Puerto Rico Electric Power Authority*, dated March 1, 2023 (as the same may be amended or modified, including all exhibits and attachments thereto, the "Disclosure Statement"), Section III.B.5 [ECF No. 3297]. It is also my understanding that PREPA ERS is the entity that administers and pays pensions under PREPA ERS. *See* 2023 Fiscal Plan at 147; *see also* Disclosure Statement at Section III.B.5.

6. PREPA ERS receives employer and employee contributions from PREPA to support the payment of pension benefits to Participants (defined below). I understand that PREPA's employees are eligible for full retirement defined benefits (i) after 30 years of service, if hired before January 1, 1993 or (ii) if they are at least age 55 and after 30 years of service, if hired on or after January 1, 1993. *See* 2023 Fiscal Plan at 148. The base of Participants' (defined below) pension benefit is derived from the Participants' final average

pay, which is calculated with the average of the Participants' three highest annual base salaries. For Participants hired on or after January 1, 1993, the annual base salaries are capped at \$50,000.00 for the calculation of their pension benefits. *Id* Beyond the base pension benefits, PREPA ERS provides several types of retirement benefits, which generally include: (i) merit annuities; (ii) accrued benefit annuities; (iii) actuarially-equivalent pension annuities service retirement allowance based on a service eligibility; (iv) cost-of-living increases in pension benefits; (v) a survivor benefit for surviving spouses of Retired Participants (defined below); (vi) a disability retirement allowance; and (vii) certain bonuses. *Id*.

7. I understand that all PREPA's permanent, full-time employees are currently eligible to participate in PREPA ERS's defined benefit pension plan. PREPA ERS covers current employees of PREPA ("Active Participants") and retired former employees receiving monthly pension payments ("Retired Participants," and together with the Active Participants, "Participants").

**B. Mobility Transferees**

8. I understand that upon the commencement date of LUMA Energy's services, approximately 2,000 PREPA employees transferred to the Commonwealth and other government entities (the "LUMA Mobility Transferees"). It is further my understanding that, since the commencement date of Genera PR, LLC's services, approximately 550 additional PREPA employees have transferred to the Commonwealth and other government entities (the "Genera Mobility Transferees," and, together with the LUMA Mobility Transferees, the "Mobility Transferees"). I understand that as of the date of this Declaration, the Mobility Transferees continue to have employee contributions to PREPA ERS deducted from their paychecks and contributed to PREPA ERS, and that funds have been budgeted for the Commonwealth to make

employer contributions to SREAE for them as well, subject to certain conditions. See Disclosure Statement at Section III.B.6, see also 2023 Fiscal Plan at 150. I also understand PREPA ERS has taken the position that the Mobility Transferees are eligible to accrue additional years of service under PREPA ERS while they are employed by other government entities.

**C. Financial Status of PREPA ERS**

9. I am aware that on February 28, 2023, PREPA ERS issued a Certificate of Inability to Pay Pensions, indicating it would have insufficient funds to pay pension by April 2023. See 2023 Fiscal Plan at 150. I am also aware that, since that date, PREPA and the Commonwealth entered into a loan agreement whereby the Commonwealth loaned \$300 million to PREPA for the exclusive purpose of funding PREPA ERS and its pension benefits, and that this funding is expected to last through October 2024. The fact that PREPA ERS has run out of funds with which to pay benefits is consistent with what happened to other Puerto Rico public defined benefit pension plans, such as plans for (i) the Puerto Rico Government Employees Retirement System (“ERS”), (ii) the Puerto Rico Teachers Retirement System (“TRS”), and (iii) the Puerto Rico Judiciary Retirement System (“JRS,” and together with ERS and TRS the “CW Pension Systems”), which were modified pursuant to the *Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.*, date January 14, 2022 [Case No. 17-3283, ECF No. 19784] (the “CW Plan”), confirmed on January 18, 2022 [Case No. 17-3283, ECF No. 19813].

10. Based on the inputs and assumptions prescribed for this purpose by the Oversight Board and attached hereto as **Schedule 1**, the estimated present value of Actuarially Determined Contributions (“ADCs”) (i.e., the cost of maintaining SREAE’s pension system as-is) from fiscal year 2024 through fiscal year 2053 (the “Projection Period”) is approximately \$4.420 billion (the “As-Is Cost”). The assumptions used to develop this amount include, but are not limited to, (i) the

amount of unpaid ADCs by PREPA to date, estimated as approximately \$1 billion by the Effective Date (based on information provided by PREPA ERS), is amortized as opposed to paid in a lump sum, (ii) an assumed rate of investment return of 5.75% is achieved, (iii) the ADC amortization period remains the current fixed period resulting in a final amortization in FY 2041, (iv) the ADCs are discounted to January 1, 2024 at 3.75%, and (v) new entrants through the assumed plan effective date of January 1, 2024. The actual cost may differ in practice. For example, if plan assets achieve less than the assumed rate of investment return, or PREPA continues to underfund the ADCs, the ADCs would increase.

11. As set forth in more detail in Schedule C to the Plan, I understand the Oversight Board believes that certain measures are necessary for PREPA ERS to be sustainable, including: (i) close PREPA ERS's pension system to new participants; (ii) freeze pension benefits as of the Effective Date for Active Participants, including Mobility Transferees; (iii) eliminate the cost of living adjustments from and after the Effective Date for Participants; (iv) fund benefits pursuant to a pay-as-you-go ("PayGo") system, rather than based on actuarially determined contributions; and (v) establish the PREPA PayGo Trust, to which PREPA will be required to contribute to build up a reserve with which to reimburse SREAEE for PayGo payments made on account of pension payments made as modified by the Plan. The changes to the benefit amounts payable are consistent with my understanding of the treatment of the TRS and the JRS in the CW Plan, and changes made to the ERS by the Commonwealth legislature.

12. I estimate that the present value of the payments PREPA would need to make to the newly established PREPA PayGo Trust to fund pension benefits as modified by the Plan (at the same 3.75% discount rate discussed in paragraph 10) over the Projection Period is approximately \$3.992 billion (the "Modified Cost"), including an estimated \$316 million that



would be needed to fund PREPA ERS until its first reimbursement from the PREPA PayGo Trust under the provisions of the Plan. The difference between the As-Is Cost and Modified Cost over the Projection Period is \$428 million.

13. In dividing these dollar amounts by the 2023 Fiscal Plan electricity demand schedule to convert these amounts to cents per kWh, assuming these costs would be charged to ratepayers, the estimated cost in cents per kWh, starts at 2.05 cents in fiscal year 2024, assuming a plan Effective Date of January 1, 2024, increasing thereafter to 2.42 cents in fiscal year 2025 and as high as 3.51 cents in 2039, with the amortization of the initial unfunded liability expected to be completed by 2041. In comparison, the estimated cost for the Modified Cost to ratepayers to fund the pension benefits, as modified by the Plan, starts at 2.23 cents in 2024, and ultimately declining to below 1 cent by 2056. The Plan's treatment of PREPA ERS is estimated to save over \$425 million on a present value basis over the Projection Period.

Dated: January 2, 2024  
University Heights, Ohio

/s/ Sheva Levy  
Sheva Levy

## Schedule 1

### Inputs for Actuarial Analysis

As directed by the Oversight Board, the sources relied upon in the development of the actuarial analyses reflected herein are as follows:

- Census data as of February 13, 2020 and June 30, 2019 for active and inactive participants respectively, adjusted as directed based on assumptions regarding the effects of subsequent events such as the LUMA and Genera transactions
- Contribution history as provided by Exhibit 16 of document #2452 from the PREPA docket updated with information through March 2023 as provided in support of PREPA expert testimony. Additional information on the development of historical ADC percentage of payroll based on PREPA ERS actuarial valuation report dated February 21, 2023.
- Actuarial assumptions related to demographic experience utilized by PREPA ERS's actuary, as disclosed in its most recently received actuarial valuation reports, adjusted based on industry updates for mortality experience
- Summary of the benefit provisions for PERPA ERS as described by PREPA ERS's actuary in its most recently received actuarial valuation report dated February 21,
- The description of the proposed treatment of PREPA ERS in PREPA's Plan of Adjustment, which for the purposes of this analysis were to be assumed to be effective January 1, 2024 including:
  - Closing PREPA ERS's pension system to new participants;
  - Freezing pension benefits (detailed in Schedule C of the PREPA Plan of Adjustment, including provisions related to retirement benefit accruals and eligibility, sick leave purchases, bonus payments and employee contributions) as of the Effective Date for Active Participants, including Mobility Transferees;
  - Eliminating the cost of living adjustments from and after the Effective Date for Participants;
  - Funding PREPA ERS benefits on a pay-as-you-go ("PayGo") basis, rather than based on actuarially determined contributions; and
  - Establishing the PREPA PayGo Trust, to which PREPA will be required to contribute on a monthly basis enough to maintain a balance of approximately one year's worth of benefit payments from which to reimburse PREPA ERS on a quarterly basis for PayGo payments made on account of pension payments made as modified by the Plan.
- The approach used to develop the ADC by PREPA ERS's actuary, including the remaining amortization period
  - Unpaid ADCs, estimated as approximately \$1.0 billion based on information provided by PREPA ERS, are assumed to be amortized as opposed to paid in a lump sum
- An expected rate of return on the PREPA ERS trust of 5.75% for the purposes of estimating the ADCs and 0.0% for the development of the Modified Cost
- An expected rate of return on the PREPA PayGo Trust of 2.0% for the development of the Modified Cost

- Various additional assumptions related to future changes in available pension assets, including Commonwealth contributions on behalf of Mobility Transferees for ADC purposes, administrative expenses paid from pension assets, repayment of participant loans, employee contribution withdrawals, as well as timing of contributions to and withdrawals from the PREPA PayGo Trust
- The electricity demand schedule used in the 2023 Fiscal Plan, assuming the pension costs would be charged to ratepayers, to convert the estimated ADCs and Modified Cost to estimated cents per kWh<sup>1</sup>
- A discount rate of 3.75% to discount the amounts estimated as of future dates to January 1, 2024

Detailed results of this analysis, including additional supporting documentation related to the data sources and the development of the inputs described above , were previously provided to the Oversight Board. The accuracy of these estimates is dependent on the accuracy of the underlying data and the choice of assumptions. Data to further assess the reasonableness of certain demographic assumptions was not available, although I am unaware of any information indicating that the assumptions are not reasonable representations of long-term expectations. It is my understanding that the assumptions selected by the Oversight Board rely on the assessment of the reasonableness of assumptions performed by PREPA ERS's for reporting liabilities of the pension system.

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<sup>1</sup> Note, these estimates are not intended to be used for the purposes of actually setting electricity rates

**Exhibit C**

**UTIER CBA**

CERTIFIED TRANSLATION

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### DECLARATION OF PRINCIPLES

Industrial peace and the best labor-management relations shall be maintained through constructive and goodwill actions, establishing satisfactory conditions for the employer and the worker. The parties declare that collective bargaining for reasonable wages and decent working conditions is an effective means of achieving and maintaining peace and industrial democracy.



I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

## CONTRACTING PARTIES

THE FIRST PARTY: The Puerto Rico Electric Power Authority, hereinafter referred to as "THE AUTHORITY," represented by its Executive Director by virtue of the authority given to the same under Resolution No. 1559 of the Board of Governors of the Authority.

THE SECOND PARTY: The Puerto Rico Workers Union of the Electric Power and Irrigation Industry (Independent), hereinafter referred to as "THE UNION," represented by the members of the State Council and its advisors.

## ARTICLE I - RECOGNITION OF UNION

The Authority recognizes the Union as the exclusive representative of all workers included in the appropriate unit for purposes of negotiations and collective bargaining in relation to salaries, work conditions, job tenure, claims and grievances and other conditions and provisions affecting the jobs of workers covered by this agreement.

## ARTICLE II - UNION SHOP

Section 1. It shall be a continuous condition of employment for all present and future workers of the Authority covered by this collective bargaining agreement to be members of the Union at all times.

Section 2. **The Authority shall prepare a Payroll and Personnel Action for all Authority workers each time that a personnel transaction is performed. This information shall be provided to the President of the State Council in digital format at the end of each biweekly period.** Said Payroll and Personnel Action shall contain the name, **effective** date, occupation, **title, codification, position number** and place of work. **In case of new workers, the residential address shall be included.** It shall also indicate **the classification of the worker in** accordance with the provisions of Article VI, Classifications.

Section 3. The Authority, at the written request of the Union, shall terminate all employees who do not become or continue to be members of the Union, as applicable.

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Section 4. In the event that a competent body determines that the termination referred to in the preceding section is unjustified or illegal and orders that the worker be reinstated, the Union shall release the Authority from all liability.

Section 5. The affiliated member condition shall be determined by the Union based on its Constitution and Bylaws.

#### ARTICLE III - APPROPRIATE UNIT

Section 1. The appropriate unit referred to in this agreement is composed of all workers, as classified and defined below, employed by the Authority in the operation and maintenance of electrical and irrigation systems, owned by or administered by the latter, and the Engineering Division, including all office clerks, drafters and all other office personnel employed by the Authority in aerial and underground electrical distribution and transmission line and electrical substation construction projects.

Section 2. The appropriate unit shall not include executive employees, administrators, supervisors, confidential employees and all other employees having the power to hire, terminate, promote, discipline or otherwise change the status of employees or make recommendations in this regard. In addition, it shall not include special security employees, employees in charge of surveillance or guards, and all other employees included in other appropriate collective bargaining units already established in the Authority.

Section 3. The term "Operation and Maintenance" consists of all repair, renovation and improvement jobs performed by the Authority to maintain the property in good and efficient operational condition. The term "Operation and Maintenance" shall not include jobs performed in new construction work projects, or extraordinary improvements to the property.

The Authority shall provide to the Union, on or before August 15 of each effective year of the agreement, a list of the extraordinary improvements to the property to be performed during each fiscal year. Said notice shall be given in Spanish. When, based on technical reasons, a translation is not possible,

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at the request of the Union, the Authority shall describe said extraordinary improvement in Spanish.

If, for any reason, the Authority needs to perform an extraordinary improvement that has not been notified as herein provided, it shall be notified as soon as possible before beginning said work. In the event that the Union is not in agreement with the extraordinary classification made by the Authority in relation to any of said work, the Union shall notify it to the Authority in order for the parties to reach an agreement.

For these purposes, the parties agreed on a stipulation dated October 23, 1996, which reads as follows:

The Puerto Rico Labor Relations Board, in a Decision issued on October 26, 1994 (D-94-1231), created a list of criteria to serve as a guide for parties to determine what constitutes "Extraordinary Improvements". Said criteria were the following:

1. The nature of the job to be performed
2. the magnitude and importance of the job
3. the duration or time required to perform it
4. the frequency or occurrence of the job to be performed
5. that the improvement to be performed be outside of what is usual and ordinary
6. how far in advance the job is planned
7. history of work performed by each appropriate unit.

In said Decision, the Board also stated some factors which, in the opinion of the same, were not determining criteria for classification of an improvement as an extraordinary improvement or simply an improvement. Said factors are: specialized personnel, equipment, emergency work or financial investment.

The parties, in order to establish uniform criteria to assess and object to an extraordinary improvement designation, hereby adopt the above-stated criteria to assess the extraordinary improvements notified as of present and the ones notified in the future.

Section 4. The parties agree to create a Committee, which shall discuss the notice of extraordinary improvements and the objections,

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if any, submitted by UTIER according to the criteria herein stated. Each party shall have three (3) people in said Committee.

The Extraordinary Improvements Committee must hold meetings as long as they have yet to discuss and agree on the action to be taken in relation to each of the projects submitted by the Authority.

The Union must object in writing within thirty (30) days from discussion of the extraordinary improvement with the representatives of the Authority stating the reasons and grounds in a detailed manner for each of the objected improvements.

In case of extraordinary improvements notified after August 15, the Union must object to the same within thirty (30) days.

If extraordinary improvements are not objected to as herein provided, they shall be considered as accepted.

Section 5. At the time of holding of Committee meetings, the Authority shall inform in detail, in Spanish, the scope of each project, the period of time that it should take to complete that phase of the project until its conclusion, the estimated necessary personnel, the equipment to be used, the estimated costs and any other information that would reasonably allow the representatives of the Union to submit viable alternatives to carry out the project completely or partially.

The Committee may recommend to the Executive Director that the latter hire temporary and/or emergency personnel or the equipment that is necessary to perform the jobs.

Section 6. No worker included in the appropriate unit may be transferred to an executive or managerial position without the express consent of the same. The Authority shall notify with enough time in advance to the Union **and no later than 10 business days** before offering said position to the worker. The Authority shall provide to the Union a monthly list of workers who have been transferred to managerial or executive positions.

Section 7. When, in accordance with preceding Section 6, a regular worker covered by this agreement is appointed to a position outside of the appropriate unit, the position that the worker used to occupy shall be covered in accordance with the provisions of Article IX of this agreement. **It shall be posted no later than 35 business days from the moment that the position becomes vacant.**

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**Section 8. Note: The full text of the Decision of the Supreme Court in CC-2004-0668 shall be incorporated here.**

IN THE SUPREME COURT OF PUERTO RICO

Puerto Rico Electric Power  
 Authority (AEE, acronym in  
 Spanish)

Respondent

vs.

Workers Union of the Electric  
 Power and Irrigation Industry  
 (UTIER, acronym in Spanish)

Petitioner

No. CC-2004-668

Certiorari

Opinion of the Court issued by Associate Judge FUSTER BERLINGERI

San Juan, Puerto Rico, March 14, 2007.

We have the opportunity to adjudicate whether a controversy regarding an alleged encroachment of appropriate unit is within the exclusive jurisdiction of the Puerto Rico Labor Relations Board.

I

The Workers Union of the Electric Power and Irrigation Industry (hereinafter UTIER) is the exclusive representative of all workers employed by the Electric Power Authority (hereinafter AEE or the Authority) for operation and maintenance of electrical and irrigation systems and the Engineering Division employees.

According to the collective bargaining agreement governing the relations between the parties at the relevant time:

the term "Operation and Maintenance" consists of all repair, renovation and improvement jobs performed by the Authority to maintain the property in good and efficient operational condition. The term "Operation and Maintenance" shall not include jobs performed in new construction work projects, or

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extraordinary improvements to the property. Art. III, sec. 3 of the Collective Bargaining Agreement between the Puerto Rico Electric Power Authority and the Puerto Rico Workers Union of the Electric Power and Irrigation Industry (Independent) (duration May 16, 1992 to May 16, 1998) (hereinafter, Collective Bargaining Agreement between the Authority and UTIER).

In 1997, differences arose between the Authority and UTIER regarding whether certain jobs that were being performed in the Aguirre generating plant of AEE were ordinary or extraordinary maintenance repairs. UTIER challenged the subcontracting of the above-referenced jobs and alleged that those jobs belonged to the appropriate unit represented by the union. The Authority, on the other hand, argued that the jobs in question were extraordinary improvements and therefore fell outside of the jobs belonging to the appropriate unit represented by UTIER. The parties exchanged communications and held meetings to try to solve the controversy but were not able to reach any agreement.

Based on the foregoing, UTIER filed a claim and request for designation of arbitrator with the Bureau of Conciliation and Arbitration of the Department of Labor. In it, it alleged that the "main crane operation jobs belong to the appropriate UTIER unit" and that it was not notified of those jobs as required by the collective bargaining agreement. UTIER based its claim on the sixth article of the collective bargaining agreement, regarding subcontracting. The Authority filed a motion to dismiss for lack of substantive and procedural arbitrability on April 30, 2002.

After the parties agreed to submit the jurisdictional matter via legal briefs, the arbitrator, Brunilda Domínguez González, by way of an arbitration decision dated September 23, 2003, found that she did not have jurisdiction because the claim was not substantively arbitrable. According to her opinion, the foregoing was based on two independent reasons: first, because there was no identity between what was discussed during the pre-arbitration phase and the claim filed, since the communications and the pre-arbitration steps had dealt with the matter regarding extraordinary improvements, not the matter regarding subcontracting; and second, because the parties had excluded the extraordinary improvements from the appropriate unit and said matter was within the exclusive jurisdiction of the Labor Relations Board, by virtue of the collective bargaining agreement and the applicable law."<sup>1</sup>

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Unsatisfied with the decision of the arbitrator, UTIER challenged the above-referenced decision in the Court of First Instance, Superior Court of San Juan. In a judgment dated January 21, 2003, the trial court dismissed the motion to appeal and affirmed the conclusion of the arbitrator as to the fact that the discussion during the pre-arbitration phases had centered on the extraordinary improvements, a matter that had been excluded from arbitral jurisdiction.

UTIER challenged said decision in the Court of Appeals. The appellate court, through a ruling dated May 28, 2004, stated that it was concerned about the supposed potential implications of the arbitral ruling. It made reference to the fact that because during the discussion the term “subcontracting” did not come up as frequently as the term “extraordinary improvements” it was deduced that the pre-arbitration phases did not deal with subcontracting. In the opinion of the appellate court, said conjecture implied “disregarding the logical scope of the controversy”. However, the Court of Appeals affirmed the judgment of the trial court because it believed that, since the controversy between the parties dealt with the classification of jobs performed as ordinary or extraordinary, it necessarily dealt with whether the jobs in question belonged to the appropriate unit. The appellate court managed the situation as if it dealt with an appropriate unit clarification and decided that this type of controversy was within the exclusive jurisdiction of the Labor Relations Board.

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<sup>1</sup> The arbitrator based her decision on the sixth clause of the third article of the agreement, which established as follows:

In view of the fact that current doctrine and legislation establish that the Puerto Rico Labor Relations Board has original and exclusive jurisdiction over controversies related to the appropriate unit, the parties agree to suspend the administrative procedure which existed for this purpose in Sections 3 and 6 of this Article.

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It is also agreed that, if in the future there is a change in the current doctrine and/or legislation allowing for the exclusive jurisdiction of the Labor Relations Board to be shared with other administrative bodies, the suspended procedure and other similar procedure shall be incorporated to the agreement in accordance with the current doctrine and legislation. Art. III sec. 6 of the Collective Bargaining Agreement between the Authority and UTIER, supra.

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On July 23, 2004, UTIER filed a certiorari petition in this court, in which it stated the following assignments of error:

First Error:

The Honorable Court of Appeals erred when it affirmed that, since the controversy submitted for consideration by the Honorable Arbitrator dealt with "extraordinary improvements," it was a controversy regarding the appropriate unit in relation to which the Arbitrator was prevented from intervening in and assuming jurisdiction, because said controversy was within the exclusive jurisdiction of the Puerto Rico Labor Relations Board, regardless of whether or not the controversy required clarifying positions.

Second Error:

The Honorable Court of Appeals erred when it violated the rule established by the Puerto Rico Labor Relations Board of assigning to the arbitration forum controversies regarding appropriate unit in which the matter in controversy deals with the violation of the collective bargaining agreement and in which clarification of the positions of the appropriate unit is not present.

Third Error:

The Honorable Court of Appeals erred when it violated the due process of law of the Petitioner by depriving it of the right to an evidentiary hearing and deciding that it had been waived by the Petitioner.

We issued the writ on December 3, 2004, the parties appeared to support their positions, and the case was submitted for consideration on March 30, 2005. Below is our decision.

II

The Puerto Rico Labor Relations Act, Law No. 130 enacted on May 8, 1945, 29 L.P.R.A. sec. 61 et seq. (hereinafter the Act), establishes the public policy of the government of Puerto Rico as to employer-employee relations



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and creation of collective bargaining agreements. In this regard, the above-referenced Act emphasizes the achievement of “[i]ndustrial peace, adequate salaries and insurance for employees, as well as the uninterrupted production of articles and services, through collective bargaining” as its main purpose. 29 L.P.R.A. sec. 62(2). It also appoints the Puerto Rico Labor Relations Board as the body with the capacity to ensure compliance with the same. 29 L.P.R.A. sections 64 - 64<sup>a</sup>.

In order to ensure effective collective bargaining, the Act gives to the Labor Relations Board the power to determine and certify the appropriate unit for collective bargaining. 29 L.P.R.A. sec. 66(2). The appropriate unit is the group of jobs or positions having similar interests and characteristics, grouped to collectively bargain the terms and conditions of employment or elect the representative for this purpose.<sup>2</sup> In the past we had already recognized that, in ordinary representation cases, determining an appropriate unit is within the exclusive jurisdiction of the Labor Relations Board. A.A.A. v. Unión Abo. A.A.A., 158 D.P.R. 273, 281 (2002); U.P.R. v. Asoc. Pur. Profs. Universitarios, 136 D.P.R. 335, 345 (1994); Pérez Maldonado v. J.R.T., 132 D.P.R. 972, 979 (1993); J.R.T. v. A.M.A., 119 D.P.R. 94, 99 (1987); F.S.E. v. J.R.T., 111 D.P.R. 505, 514 (1981).

The Act gives to the Board vast discretion to determine what constitutes an appropriate bargaining unit. Some of the factors taken into consideration by the Board are: (1) the promotion of collective bargaining; (2) the history of collective bargaining in the specific business and in the industry as a whole; (3) the integration of work and administration procedures; (4) the skills of employees involved; and (5) the wishes of employees.

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<sup>2</sup> In view of the known origin of our legislation, the following statements apply to the meaning of “appropriate unit”.

- (a) As an incident to conducting a representation election, the [Nacional Labor Relations] Board must determine which group of jobs shall serve as the election constituency. That group of jobs is denoted the appropriate bargaining unit, and the personas employed in those jobs at the time of the election are entitled to vote whether they wish to continue to settle terms and conditions of employment on an individual basis – or, as some would have it, by “unilateral” act of the employer – or whether they wish to have one or another employee representative. A Cox, D. Box, R. Gorman, M. Finkin, Labor Law, Decimotercera edición, New York, Foundation Press, 2001, pág. 270.
- (b) “Bargaining unit. A group of employees authorized to engage in collective bargaining on behalf of all the employees of a company or an industry sector”. B.A. Garner (ed.), *Black’s Law Dictionary*, Séptima edición, St. Paul, Minn., West Group, 2000, pág. 116.

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Ordinarily, the decision of the Board regarding which is the appropriate bargaining unit is conclusive, unless said decision is arbitrary or capricious. Rivera v. Junta Relaciones del Trabajo, 70 D.P.R. 5, 12 (1949).

In Pérez Maldonado v. J.R.T., supra, we considered the procedure for clarification of the appropriate unit for collective bargaining. Since our Act does not recognize or deal with the issue resulting from wanting to “add to an appropriate unit certain [positions] which at the time of the petition are not part of it, but which actually should belong to it because they share the same community of interests,” Pérez Maldonado v. J.R.T., supra, page 982, we turned to the practice of the Labor Relations Board and of the federal jurisdiction. By doing so, we validate the clarification procedure and specify the type of situation for which it is available.

It deals mainly with situations: (1) where an employer expands its operations and opens new jobs in its establishment, which are essentially similar to the ones already included in the appropriate unit; (2) where an employer establishes a new branch of the company in which there are jobs identical to the ones included in the appropriate unit; (3) where certain jobs that were previously excluded from the appropriate unit have substantially evolved with time acquiring characteristics which make them very similar to the unit jobs; (4) where a company which had an appropriate unit acquires or merges with another company dealing in the same type of business which had its own

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unit but which disappeared as a result of the merger; [...] (5) where an employer had not informed the union regarding the existence of a specific category of jobs, based on which it had not been included in the definition of the contracting unit. Pérez Maldonado v. J.R.T., supra, pp. 982-3.

Even though we did not specifically state it at that moment, as a result of our decision in Pérez Maldonado v. J.R.T., supra, the Labor Relations Board has continued to be the body with exclusive jurisdiction for decisions regarding appropriate unit clarification. Precisely, the Bureau of Conciliation and Arbitration of the Department of Labor has not intervened in this type of controversy by virtue of its own regulations, which provide that “[t]he arbitration service shall be offered to solve real controversies, not hypothetical controversies. This service shall not be offered to solve controversies involving the clarification or determination of collective bargaining units”. Regulations for Internal Order of Arbitration Services of the Bureau of Conciliation and Arbitration of the Department of Labor and Human Resources of Puerto Rico, No. 2948, January 21, 1983. It makes sense for it to be this way because clarifying entails an analysis that is virtually identical to determining the appropriate unit. To wit, in both cases one must adjudicate which positions must belong to the appropriate unit taking into account the same factors regarding employment characteristics and interests mentioned above.

It should be noted that the appropriate unit is not composed of the employees per se; rather, it is composed of the positions that they occupy. A. Cox, D. Bok, R. Gorman, M. Finkin, Labor Law, Thirteenth Edition, New York, Foundation Press, 2001, page 271. However, it is as a result of an appropriate unit determination or clarification that the employees included in the unit are assigned all of the rights stemming from the Act and the collective bargaining agreement. J.R.T. v. A.M.A., supra, pp. 100-1. This is why it is important for the appropriate unit to be defined in a precise manner and for the duties assigned to each of the positions of which it is composed to be observed.

An appropriate unit encroachment occurs when unit jobs are assigned outside of the same. This specifically takes place when a non-union employee performs duties belonging to a member of the contracting unit. The investigation regarding whether the above-referenced encroachment has taken place is not aimed at determining which positions are or are not contained in the appropriate unit. Based on the foregoing, the Labor Relations Board and the Bureau of Conciliation and Arbitration of the

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Department of Labor, aware of the fact that an investigation regarding a supposed encroachment of the appropriate unit does not adjudicate the advisability of certain positions being a part of it (in other words, does not discuss the composition of the appropriate unit), have consistently maintained that the exclusive jurisdiction of the Board is only as to appropriate unit certification or clarification procedures. Matters related to a possible encroachment of the appropriate unit are adjudicated by the Bureau

of Conciliation and Arbitration. See, e.g.: Electric Power Authority and Unions of Workers of the Electric Power and Irrigation Industry, Case CA-99-23 (Decision of the Puerto Rico Labor Relations Board dated May 18, 2000); Union of Independent Workers of the Electric Power and Irrigation Authority and Union of Workers of the Electric Power and Irrigation Industry, Cases No. A-05-2428 and A-44-99 (Bureau of Conciliation and Arbitration, April 28, 2005); Electric Power Authority and Unions of Workers of the Electric Power and Irrigation Industry, Case No. A-00-1606 (Bureau of Conciliation and Arbitration, August of 2005). Furthermore, the Bureau of Conciliation and Arbitration, by way of a decision of its Director in this regard, has pointed out that **the Labor Relations Board shall not intervene in controversies regarding appropriate units if “they are not related to or do not deal with the clarification of positions of the appropriate unit. In other words[,] when dealing with a matter regarding encroachment of appropriate unit, the forum that shall adjudicate the controversy shall be the one agreed upon under “claims and grievances”**”. In the case of: Electric Power Authority of Puerto Rico and Union of Workers of the Electric Power and Irrigation Industry, Case: Several (Decision of the Director of the Bureau of Conciliation and Arbitration dated May 21, 2003)(emphasis in original and added).

The federal jurisdiction has followed a pattern similar to the one described above. In that jurisdiction, even though the National Labor Relations Board has exclusive jurisdiction to certify or clarify the appropriate unit for collective bargaining, controversies regarding the assignment of duties outside of the appropriate unit are matters for arbitration. In Carey v. Westinghouse Electric Corporation, 375 U.S. 261 (1964), even though the United States Supreme Court recognized the difficulty in distinguishing between cases involving representation and certification of appropriate unit and cases involving assignment of duties outside of the same, it recommended using the voluntary procedures for resolution of disputes, especially arbitration, for disputes regarding assignment of duties. Carey v. Westinghouse Electric Corporation, supra, pp. 261-8. In a case regarding assignment of duties of the appropriate unit to employees outside of it, the Court of Appeals of the United States for the Second

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Circuit indicated that to analyze whether or not the duties assigned belonged to the appropriate unit, the “arbitrator does not need to define the unit or alter its scope”. Carey v. General Electric Company, 315 F.2d 499, 510 (1963).<sup>3</sup>

As decided in Pérez Maldonado v. J.R.T., supra, in this case, the constant practice of the Labor Relations Board and of the Bureau of Conciliation and Arbitration of the Department of Labor, in conjunction with the federal jurisdiction rules, have led us to adopt them as binding in our jurisdiction. **Therefore, we decide that matters related to encroachment of the appropriate unit for collective bargaining fall within the vast jurisdiction of arbitrators, since they do not actually deal with the composition of the appropriate unit, a matter which does fall under the exclusive authority of the Labor Relations Board.**

By deciding so we make sure to promote the government’s public policy of promoting industrial peace and the uninterrupted production of services. 29 L.P.R.A. sec. 62(2). In addition, by deciding so we preserve our public policy of promoting the use of arbitration as the culmination of the collective bargaining procedure and maintain its importance within employer-employee relations. See, e.g., F.S.E. v. J.R.T., supra, page 516.

### III

The collective bargaining agreement that was in effect at the time of the relevant events established all matters related to subcontracting of jobs in its fourth article. Specifically, it provided that “the Authority shall not be able to subcontract jobs or duties related to the operation and maintenance of the Appropriate Unit,” except in certain circumstances listed in the article. Art. IV of the Collective Bargaining Agreement between the Authority and UTIER, supra. Furthermore, the collective bargaining agreement clearly provided that

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<sup>3</sup>It is true that only the Board can conclusively define the scope of the bargaining unit, just as the Board is the authority for the definition of unfair labor practices. But an arbitrator, in determining whether a party has violated the collective bargaining agreement, does not define an unfair labor practice; nor need he necessarily, in construing the employer’s contractual obligation to recognize the union as the bargaining agent in the unit delineated by the Board, define that unit or alter its scope. The grievances under examination, and the contract provisions which will have to be interpreted in the course of arbitration, are quite familiar in the context of work assignment disputes. Carey v. General Electric Company, 315 F.2d 499, 510 (1963).

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in case of discrepancies in relation to subcontracting of certain duties mediation by an impartial third party designated by the Secretary of Labor would be used. *Id.* There is no doubt then that the controversies regarding subcontracting between the Authority and UTIER are arbitrable.

However, and actually with knowledge of the foregoing, the Court of Appeals provided in its decision that the matter in question fell within the exclusive jurisdiction of the Labor Relations Board. It believed that, since it dealt with subcontracting of supposed extraordinary improvements, adjudicating it necessarily entailed defining which

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Assignment disputes. Carey v. General Electric Company, 315 F. 2d 499, 510 (1963).

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duties belonged to the appropriate unit. The appellate court based its decision on the sixth clause of the third article of the collective bargaining agreement, already cited. The decision of the appellate court is wrong.

Based on the clear terms of the collective bargaining agreement between the parties, extraordinary improvements were not included in the appropriate bargaining unit. Precisely for this reason they had to be subcontracted. Notwithstanding the foregoing, the fact that the arbitrator had to determine whether a certain duty could be subcontracted and, consequently, decide whether or not it was a duty assigned to the appropriate unit, was not equivalent to adjudicating which positions it was composed of. Below is a step by step discussion of the matter.

The determination regarding which positions the appropriate unit consisted of had to be made, by definition, before the negotiation of the collective bargaining agreement that we are considering on this day. In any case, and in some of the suppositions already listed, what would take place after the certification of the appropriate unit would be a procedure for clarification of the unit. However, the investigation of the judge in this case is neither of the two, since it does not deal with employment characteristics or interests. When examining whether a certain duty constitutes an extraordinary improvement that may be subcontracted, the arbitrator only had to analyze the duties **already defined** for the appropriate unit. This does not require a clarification; rather, it requires an interpretation of the collective bargaining agreement, which is a matter for arbitration.

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I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

CERTIFIED TRANSLATION

Based on the foregoing, we conclude that, in cases such as this one, in which subcontracting is challenged based on allegedly constituting an encroachment of the duties of the appropriate unit, the controversy does not deal with the composition or clarification of the same. Consequently, the matter is within the complete jurisdiction of the arbitration procedure. On the other hand, cases which apparently deal with subcontracting and extraordinary improvements, but whose essential purpose is to clarify the positions of which the appropriate unit is composed, shall be within the exclusive jurisdiction of the Labor Relations Board. Based on the foregoing, **arbitrators may not summarily dismiss claims regarding extraordinary improvements. They must receive evidence in order to determine whether they actually contain a controversy regarding encroachment of appropriate unit, or whether they deal with clarification of the unit. Once they have received the evidence, and in accordance with this decision, arbitrators shall decide whether or not they have jurisdiction to consider the controversy.**

The Court of Appeals erred when it decided that the controversy was within the exclusive jurisdiction of the Puerto Rico Labor Relations Board merely based on the fact that it dealt with extraordinary improvements.

#### IV

Based on the foregoing, the decision of the Court of Appeals, Judicial Region of San Juan, is revoked, and the controversy is remanded to the Bureau of Conciliation and Arbitration of the Department of Labor and Human Resources of Puerto Rico for consideration.

The corresponding judgment shall be issued.

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I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

CERTIFIED TRANSLATION

JAIME B. FUSTER BERLINGERI  
 ASSOCIATE JUDGE

IN THE SUPREME COURT OF PUERTO RICO Electric Power Authority (AEE, acronym in Spanish)  Respondent  vs.  Workers Union of the Electric Power and Irrigation Industry (UTIER, acronym in Spanish)  Petitioner	No. <u>CC-2004-668</u>	Certiorari
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JUDGMENT

San Juan, Puerto Rico, March 14, 2007.

Based on the grounds stated in the preceding Opinion, which is made a part of the present Judgment, the decision of the Court of Appeals, Judicial Region of San Juan, is revoked, and the controversy is remanded to the Bureau of Conciliation and Arbitration of the Department of Labor and Human Resources of Puerto Rico for consideration.

So stated and ordered by the Court and Certified by the Clerk of the Supreme Court.

Chief Judge Hernández Denton dissents from the Opinion of the Court based on believing that Art. III of the Collective Bargaining Agreement of the Electric Power Authority and the Workers Union of the Electric Power and Irrigation Industry specifically excludes from the scope of the same “extraordinary improvements to the property”. According to Chief Judge Hernández Denton, the arbitrator correctly concluded that she did not have jurisdiction to adjudicate the claim filed by the Union. Therefore, he would affirm the Decision of the Court of Appeals which refused to revoke the decision of the arbitrator.



I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

Associate Judge Rivera Pérez dissents without opinion.

Aida Ileana Oquendo Graulau  
Clerk of the Supreme Court

**Section 9.** The parties also agree that, as to illicit work practice charges filed with the Puerto Rico Labor Relations Board alleging encroachment of the appropriate unit and not needing clarification of the positions of the above-referenced appropriate unit, UTIER shall request that the Board refer those illicit practice charges to the arbitration forum.

**Section 10.** The parties specifically recognize that, according to the decision of the Supreme Court of Puerto Rico in CC-2004-0668, controversies regarding appropriate unit not needing clarification of the positions of the same shall be within the jurisdiction and competence of the arbitration forum under the procedure contemplated in Article XXXIX, Section 12, of the Collective Bargaining Agreement.

**Section 11.** As a general rule of interpretation and application of this Article, "Extraordinary Improvements" shall not include emergency jobs that are inherent to the services provided by the Authority. The parties recognize that there may be exceptions to this General Rule. If they arise, they shall be notified and discussed in accordance with the provisions of the collective bargaining agreement. In cases in which the Authority notifies an emergency job as an "extraordinary improvement" or assigns the jobs classified by the Authority as extraordinary improvements [to] personnel from another appropriate unit or to external Authority personnel and they are adjudicated in accordance with the provisions of the preceding sections as jobs belonging to the appropriate UTIER unit, the Authority shall be obligated to pay the penalty provided in Article IV, Section 3, of this Collective Bargaining Agreement.

#### ARTICLE IV - SUBCONTRACTING (To be considered by the Labor Relation Board)

**Section 1.** During the effective period of this agreement, the Authority shall not be able to subcontract operation and maintenance jobs or duties of the Appropriate Unit, as defined in Article III of this agreement, except:

- A. When there is a need to perform an occasional job or duty requiring specialized equipment the acquisition of which by the Authority would not be justified.

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- B. When there is a need to perform an occasional job or duty requiring the intervention of skilled personnel that is not available in the appropriate unit, in the registry of temporary eligible personnel or in the registry of eligible candidates of the Personnel Office.
- C. When there is a need to perform an occasional job or duty requiring the acquisition of facilities that are not available and the acquisition of which by the Authority would not be justified.
- D. When there is an imminent risk to the continuity of the electric power service or when it is interrupted and it is not possible to perform the necessary jobs or duties with personnel available in the appropriate unit, in the registry of temporary eligible personnel, in the registry of eligible candidates of the Personnel Office, or with emergency workers.
- E. **Motor vehicle maintenance and repair jobs in accordance with the provisions of Section 3 of this article.**

Section 2. In the cases provided in paragraphs (A), (B) and (C) **and (E)** of the preceding Section, the Authority shall notify them to the Affected Chapter President immediately in order to have a meeting to determine whether the circumstances justifying subcontracting exist; it is also provided that, whenever possible, the Authority shall notify the supposed subcontracting at least thirty (30) days in advance. Said notice shall indicate the specialized equipment the acquisition of which by the Authority is not justified, the skilled personnel required and the grounds to determine that it is an occasional job or the unavailable facilities that are necessary to carry out the jobs. In the case provided in paragraph (D), when notifying the Union regarding subcontracting in advance is not possible, the Authority must do so as soon as possible and never more than twenty-four (24) hours following subcontracting.

Section 3. **The jobs to maintain and repair the motor vehicles owned by the Authority belong to the employees of the Appropriate UTIER Unit who work in the Auto Repair and Mechanic Shops of the Authority. Said jobs are necessary to guarantee the services of the Authority; therefore, it is indispensable to have sufficient personnel skilled in the latest technological advances, and to have the necessary tools, equipment, parts and facilities to carry out said jobs efficiently.**

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- A. For the purpose of carrying out the jobs to maintain and repair said motor vehicles, the Authority:**
- 1. Shall continue to have the existing Auto Repair and Mechanic Shops and, if deemed necessary, shall create additional shops.**
  - 2. Within a period of (45) days from signing of the Collective Bargaining Agreement, the Authority shall post the vacant positions that are necessary for the adequate operation of said shops.**
  - 3. All positions belonging to the employees who work in the Auto Repair and Mechanic Shops of the Authority and which subsequently become vacant shall be subject to the provisions of preceding paragraph A-2 of this Section.**
  - 4. The Authority shall offer continuous training to the union employees of the Auto Repair and Mechanic Shops and shall have the tools, parts, equipment and facilities that are necessary to perform their work. The training offered by the Authority to Automotive Technicians shall be free of charge to the employee. In cases in which the Authority determines that it is necessary to take training that cannot be offered by the Agency, the employee shall be sent to take it free of charge.**
  - 5. The Authority agrees to pay to the employees occupying Automotive Technician positions a maximum of \$400.00 dollars for payment of necessary Continuing Education courses required for renewal of Automotive Technician license and/or annual association membership subject to the following provisions:**
    - 1. A written request to the Director of Administrative Services.**
    - 2. The \$400.00 contribution shall be reimbursed by the Authority within thirty (30) days following submission of evidence of enrollment. Said amount may be used to pay for the courses required for renewal of licenses and/or pay for association membership.**
    - 3. An employee who finishes the course must provide evidence of credits obtained. If the employee does not pass the course, he or she must reimburse to the Authority the money paid by the Authority.**
    - 4. If the employee resigns from his or her job during the five (5) years following enjoyment of this benefit, he or she shall reimburse the payment made by the Authority during the five (5) preceding years.**

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- B. In all cases in which the Authority intends to subcontract jobs corresponding to the Appropriate Unit, it must comply with the provisions of this Article in Section 1 and present Section 3. The Authority may only subcontract the following jobs in the Auto Repair and Mechanic Shops:**
- 1. Annual compulsory inspections that are necessary to renew vehicle registration stickers.**
  - 2. Certifications from the manufacturer that are required as a result of variations in the original specifications of the specialized hydraulic equipment of vehicles.**
  - 3. Occasional replacement of front and back motor vehicle windows.**
  - 4. Occasional motor vehicle upholstery jobs.**
  - 5. Occasional reconstruction of injection pumps and electronic or mechanical injectors.**
  - 6. Occasional repair of motor vehicle radiators.**
  - 7. Occasional reconstruction of the following electrical components: starter, alternators and windshield wiper motors.**
- Any other type of subcontracting of jobs belonging to the Auto Shops, which the Authority intends to carry out, must strictly comply with the provisions of Section 1 or 6 of this Article.**
- C. Even if the parts or components mentioned on preceding paragraphs number 5, 6 and 7 may be reconstructed or repaired by subcontractors, the job of disassembling and installing said parts or components again shall belong at all times to the members of the Appropriate UTIER Unit.**
- D. The exceptions mentioned on Paragraph B of this Section shall be subject to and conditional on the technology available as of present. In the event that the available technology and the manner of doing the job evolves making it possible for said jobs to be totally or partially performed by personnel of the Appropriate Unit, the Authority agrees that those jobs shall be assigned to the personnel of the Appropriate UTIER Unit.**

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Section 4. If there is no agreement between the parties as to whether the circumstances justifying subcontracting exist, in an immediate fashion the Union shall request and the Authority shall agree to submit the matter for consideration by an impartial third party designated by the Secretary of Labor. This shall not prevent the Authority from subcontracting the job or task if it deems it urgent and necessary for the best and most efficient public service.

If the third impartial party believes that the alleged circumstances do not justify subcontracting, it shall order the Authority, if a subcontract was executed by the latter, to compensate the Union in an amount equal to fifteen percent (15%) of the cost of labor incurred by the subcontractor for the job performed, which for purposes of this compensation is set by the parties at fifty percent (50%) of the total cost of the work. In said case, upon conclusion of the work, the Authority shall abstain from renewing the subcontract and, if it had not executed a subcontract, it shall abstain from doing so. If the above-referenced notice is not given, payment of the compensation herein established must be made.

Section 5. When the terms "subcontracting" and "subcontract" are used in this Article, they shall be considered to include, without limitation, any formal agreement, service order, verbal agreement, or any other formal or informal subcontracting method.

Section 6. Notwithstanding the provisions of this Article, the Authority and the Union recognize the high probability that a circumstance may arise not provided by the parties which could result in subcontracting. In such a case, the Authority and the Union shall meet in order to try to reach an agreement as to this issue. If the parties are not able to reach an agreement, the procedure established by this Article shall be followed.

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## ARTICLE VI - CLASSIFICATIONS

Section 1. Employees included in the appropriate Unit are classified as regular, special regular, and non-regular.

Section 2. Regular employees are those who have received a definitive or probationary appointment to fill a regular position.

Section 3. Special Regular Employees

- A. The Authority shall grant appointment as a Special Regular Employee to any temporary employee who has worked as such for the Authority for twenty-four (24) continuous months or more in the appropriate Unit of Operation and Conservation. In those cases of temporary employees with appointments as Powerline Technicians, the term to attain the Special Regular appointment will be 12 continuous months in these functions. For the purposes of this appointment, continuity in the job shall be deemed interrupted when the temporary employee is suspended for a period of ninety (90) days or more. For the purposes of the accumulation of time worked, the time included in the appointments extended to the employee during the period of twelve (12) or twenty-four (24) months, as appropriate, shall be considered.
- B. The appointment as Special Regular Employee shall be granted under the following conditions:
1. It will be granted at the corresponding recruitment salary (R-3) of the occupational group corresponding to the position that he/she is performing at the time the appointment is granted. If the employee is not performing the job of an established position, but is performing additional or accumulated work, the appointment will be made at the corresponding recruitment salary (R-3) of the occupational group to which the assigned functions correspond.
  2. One (1) year after the date of his/her appointment as a special regular employee, he/she shall be awarded the definitive salary

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of the occupational group corresponding to the duties he/she is performing or to the position whose duties he/she is performing.

3. The appointment as Special Regular Employee will be in force until the employee is awarded a regular position in accordance with the provisions of the current collective agreement. Until the Special Regular Employee is awarded a regular position, the Authority shall assign him/her where necessary, with priority within the Chapter, to carry out functions or perform work of a vacant regular position or a regular position whose incumbent is not working, provided that the employee is qualified to perform the same. In these cases, the appointment in each assignment will be extended under the conditions established in subsections 1 or 2. If these assignments involve a change of office or locality, said employee will not be entitled to per diem allowances for such concept or to transportation or transfer expenses, nor to the payment of liquidated damages.

If the Special Regular Employee does not accept the duties assigned to him/her, nor the assignment to a certain position as Special Regular Employee, he/she shall cease to be employed and shall be included in the register for eligible temporary employees, losing/her his time of service (seniority) and, as such, all the provisions that, for those employees, exist in the collective agreement in force shall apply to him/her.

The Authority will assign a permanent work area to the special regular employees at Conservation of Power Generation Plants and Hydro Gas and Electricians at Conservation of Power Generation Plants. Following such assignment, these employees shall be entitled to the payment of per diem allowances and transportation expenses as provided

in Article XXXV of this Agreement. This assignment shall be in accordance with a procedure agreed upon by the parties.

4. The Authority shall grant the Special Regular Employees the salary increase for years of service, according to the salary scales in force. Every five (5) years from the date of his/her appointment as a regular or special regular employee.
5. Any Special Regular Employee, who, at the date of signing this agreement and subsequently, meets all the requirements

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listed below, will have a regular position created and awarded without being published:

- a. He/she have accumulated three (3) or more uninterrupted years as Special Regular Employee, excluding unpaid absences and those due to work-related accidents. In the case of Special Regular Employees with appointment as Powerline Technicians, the term will be two (2) years.
  - b. He/she is performing functions of a non-existent position for an effective and uninterrupted period of twelve (12) months.
  - c. The position will be created in accordance with the title, classification, duties, and requirements corresponding to the functions that the Special Regular Employee have been performing.
  - d. The Special Regular Employee meets all the requirements of such position.
- C. The Special Regular Employee shall enjoy all the benefits provided by the collective agreement in force for Regular Employees, except those provisions that, due to their nature as Special Regular Employee, do not apply to them in compliance with the conditions required in particular by the collective agreement. For the purposes of awarding vacancies published, they will compete as Regular Employees in accordance with the provisions of Article IX, Vacant and Newly Created Positions.

Section 4. A regular position is one that is created due to a continuous need and that has a permanent nature.

Section 5. The Authority will create regular positions for all those functions that have been carried out by a temporary employee for one (1) year or more and will publish and award them according to the collective agreement in force. This provision shall not apply to the functions performed by temporary employees who work in the area of conservation. For the purposes of computing the year, the time during which a temporary employee performs functions of an existing position will not be considered.

Section 6.

- A. The following are conditioned regular positions:

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1. That regular position that is vacant when a regular worker is assigned to be trained for promotion to a higher position with duties of a nature other than those of the position that he/she occupies and that position that is conditioned subject to the approval of training, in accordance with Article VII of this agreement.
2. That regular position that is vacant when the incumbent of the position has been called for a year or more to active duty in the Armed Forces of the United States of America. In the event that the duty call is for less than one year, the vacancy shall be filled by substitution with a regular worker pursuant to Section 16 of this Article.
3. Those regular positions that are conditioned to comply with the provisions of Section 3 of Article X of this agreement on Employment Stabilization.
4. That newly created position that, as determined by the Authority and the Union, is set up to address a need that is not permanent, but that requires it for more than one (1) year, not exceeding three (3) years; given that, after the period of three (3) years, the Authority and the Union shall meet to determine the need for such regular position to remain conditioned. As soon as it is determined by the Authority and the Union that the functions to be performed will be extended by one (1) year or more, the conditioned position will be created. If the parties determine at the second meeting that the need for the position should be extended beyond a maximum of three (3) years, the Authority shall eliminate the condition of such regular position.
5. That regular position that needs to be conditioned in accordance with the provisions of Article XLII of this agreement.

When the Authority has a need to condition a vacant or newly created position, it shall notify the corresponding Chapter President and the President of the State Council in advance in regards to the reasons for conditioning the position.

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- B. The appointment and selection of the candidate to occupy a conditioned regular position shall be done in accordance with the provisions of Article IX, unless otherwise provided in this agreement.
- C. In those cases in which, at the end of the conditioned period, the affected regular workers are reinstated to their previous positions and salaries, the time served in the conditioned regular position will count for promotion purposes and to receive increases for years of service in their previous position.

Section 7. Non-regular workers are classified as temporary and emergency workers.

Section 8.

- A. Temporary workers are those who have been appointed to perform work for a predetermined period for the following purposes:
1. Substitute a regular employee that is absent.
  2. Carry out work associated to a vacant regular position while the candidate is selected to assume it.
  3. Address additional or accumulated work.
- B. In these cases, the appointment in favor of the temporary worker will be extended to cover the position of lesser classification within the affected section and the place with the highest ranking will be temporarily covered with trained regular workers in the section.

Section 9. The Authority may designate emergency workers for a period not to exceed ninety (90) calendar days. If the emergency exceeds the established term of ninety (90) calendar days, at the expiration of that term, the worker will be replaced by a candidate selected from the Registry of Temporary Workers, if any. If temporary workers are not available in the Registry, the appointment of the emergency worker shall be extended for an additional period not exceeding thirty (30) calendar days.

After the last term of thirty (30) days, an appointment as a temporary worker will be extended to him/her as long as his/her services are necessary.

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For the purposes of this provision, an emergency is defined as a disaster caused by nature or an internal irregularity in the properties of the Authority that disrupts or imminently endangers the electric power system.

Section 10. All applicants for probationary or temporary appointments must first have passed the examinations required by the Authority. In the case of temporary employees who aspire to a probationary appointment, they will be subject to the examinations required by the position. In such cases, the results of the examinations shall be notified to the Union, the corresponding Union Chapter President, and the applicant within fifteen (15) days following the date of the examination.

Section 11. The probationary period to occupy a permanent position shall be three (3) months.

Any worker that completes the probationary period satisfactorily will be extended an appointment as a regular employee, effective on the payment period closest to the expiration of that period.

Section 12. Every worker who receives a definitive appointment will be assigned the salary corresponding to the definitive pay of the occupational group of the position for which he is appointed.

Section 13. If, at any time during the probationary period and no later than thirty (30) calendar days prior to expiration of the probationary period, the supervisor estimates that the services of a probationary employee are not satisfactory, the Union Chapter President will be immediately notified to jointly conduct an investigation before reaching the conclusion of separating the employee.

If the supervisor and the Union Chapter President cannot agree, the case will be appealed to the higher scales of responsibility and, if not resolved on those scales, it will be taken on appeal for final decision to the Executive Director by the President of the State Council, who will be accompanied by the President of the affected Local Chapter.

This Section does not apply to special regular employees.

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These cases should be resolved as soon as possible and, at the latest, before the probationary period expires.

Section 14. In the appointment that the temporary worker is given, he/she will have the classification that corresponds to the work he/she is doing.

Section 15. In the event that a regular worker is temporarily asked to perform a job classified at a lower salary than the ordinary salary, he/she will be paid the salary he/she is accustomed to earn regularly.

In the event that a regular worker is called to carry out temporarily a job of a higher position than that originally specified in his/her appointment, and such substitution lasts longer than ten (10) consecutive working days, he/she will be paid provisionally from the date on which he/she began to substitute the salary corresponding to the higher level he is performing provisionally, according to the salary scale in force and his years of service.

Section 16. In the case of job substitutions or appointments that are deemed to be extended for five (5) consecutive working days or more, preference shall be given within the Section to those regular employees who are entitled to promotion to the position and a Personnel Action will be filed to document it. These job substitutions or appointments will be taken into consideration for promotions to higher positions. These job substitutions or appointments shall not entail the payment of the substituted hours specified in Article XXX of this agreement; nor shall they incur the payment of per diem allowances specified in Article XXXV, except when the substitution is made with workers who have within their duties substitution of positions and while they are substituting in such positions or in those cases in which it is determined by the Authority that the employee must temporarily move to the zone or site where the substitution is made; under these exceptions, the Authority will be obliged to reimburse these workers the per diem allowances to which they may be entitled.

In the case of job substitutions or appointments, these will be done with workers who are qualified to occupy the position.

For the purposes of the provisions hereof, the Sections are specified here:

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EXECUTIVE OFFICE

RETIREMENT SYSTEM OFFICE

It constitutes a section.

HUMAN-RESOURCES DIRECTORATE

PERSONNEL OFFICE

Section - Classification and Remuneration Department

Section - Personnel-Transactions Department

Section - Evaluation and Training Office

Section - Human-Resources Evaluation Department

OCCUPATIONAL HEALTH AND SAFETY OFFICE

Section - Occupational Safety Department

Section - Occupational Health Department

FINANCE DIRECTORATE

ACCOUNTING AND BUDGET DIVISION

Section - Office for General Services in Accounting and Document Control

Section - General Accounting Department

- Accounting Reports (Unit)

- Accounting Services (Unit)

- Account Classification (Unit)

- Accounting Data Entry and Control (Unit)

- Property Accounting and Inventory (Unit)

Section - Bank Reconciliation Unit

Section - Fuel Ticket Control (Unit)

Section - Budget Department

Section - Payroll Department

Section - Economic and Financial Analysis Department

TREASURY DIVISION

Section - Treasurer's Office

Section - Department for Fund and Investment Administration

Section - Disbursement Vouchers

Section - Department of Payroll Services (Disbursements)

Section - Cash Disbursements - Arecibo

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- Caguas
- Mayagüez
- Ponce
- San Juan

#### RISK ADMINISTRATION OFFICE

It constitutes a Section.

#### ENGINEERING DIRECTORATE

Section - Engineering Division

It constitutes a Section.

Section - Construction Division

Note: Each construction project constitutes a Section.

Section - Accounting and Budget Administration

It constitutes a Section.

#### PLANNING AND ENVIRONMENTAL PROTECTION DIRECTORATE

##### PLANNING AND ELECTRICAL STUDIES DIVISION

It constitutes a section.

##### ENVIRONMENTAL PROTECTION AND QUALITY RELIABILITY DIVISION

It constitutes a section.

#### DIRECTORATE OF ADMINISTRATIVE SERVICES

Section - Buildings and Land Department - Monacillos

Section - Document and Microfilming Center

Section - Cost Control and Productivity Office

#### SPECIAL-PROJECTS DIVISION

Section - Architecture Department

Section - Office for Administration-Engineering

#### DIVISION OF IRRIGATION, DAMS, AND RESERVOIRS

Section - Office of the Chief of the Division of Irrigation, Dams, and Reservoirs, Administrator of Public Irrigation Services, and Operations Engineer.

Section - Field - Channel Operators - Relay, Channel Operator, Clerks, Channel Cleaners, Irrigation System Workers I, II and III,



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Special Irrigation System Workers, Heavy Equipment Operator.

Section - Office - Office Clerks - Stenographers I, II, and III, Office Clerks - Typists I, II, and III, Office Clerks - Calculators I and II, Irrigation-Service Office Clerks I y II.

Section - Non-Skilled Workers, Janitors, Porters and General Workers of Buildings and Land I and II.

Note: In the Field and Office Sections, the substitutions will be carried out within their respective districts. (Commercial and Technical)

#### SUPPLIES DIVISION

Section - Office of the Chief of the Supplies Division, Office of the Chief of the Warehouses Subdivision

Section - Purchasing Department for Power Generation Plants  
- Registry of Suppliers  
- Local Purchases Section  
- Document and Mail Receipt Center

Section - Palo Seco General Warehouse (Inventory Control)  
- Warehouse for Building Materials and Transmission Lines and Substations (They compete in their General Warehouse section.)

Section - Department of Warehouses for Power Generation Plants (in their respective Plant)

Section - Department of Area and District Warehouses (in their respective Districts)

Section - Department of Supply Administration  
- Verification (Unit)  
- Traffic and Claims (Unit)  
- Systems Development (Unit)  
- Data Entry Unit

#### GENERAL SERVICES DIVISION

Section - Office of the Chief of the Division, Department of Special General Services, Printing Office, Graphic Arts Workshop,

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Section - Mail and Courier Service

Section - Transportation, Cleaning and Surveillance, Supervisor's Office, Technical Services and Maintenance Department, and Maintenance Workshop

DIRECTORATES OF TRANSMISSION AND DISTRIBUTION AND CUSTOMER SERVICE

Section - Office of the Regional Administrator for Technical Operations and associated Offices

Section - Office of the Regional Administrator for Commercial Operations and associated Offices

Section - Electrical Distribution Division  
Electrical Distribution Training Center (CADE, acronym in Spanish)

District Office - Commercial and Technical

Section - Offices - Office Clerks - Typists I, II and III, Relay Office Clerks, Office Clerk for Commercial Operations - Computer Systems, Office Clerks for Customer Service - Computer Systems, Office Clerk for Wholesale Account Services - Computer Systems, General Office Clerk for Distribution and Services, Office Clerk for Technical Services - Computer Systems, Collectors - Computer Systems, Office Clerks - Stenographers I, II and III, Couriers I, II and III, Office Clerks for Commercial Services - Computer Systems, General Office Clerks I, II, III, IV and V, Payers, Dispatchers of Transmission and Distribution Services - Local, Secretaries, Customer Service Investigators, Office Clerks for Transmission and Distribution I, II and III, Purchasers, Janitors, Substation Operators - Computer Systems, Warehouse Office Clerk I and II, Office Clerk I, II, III, IV and V, Office Clerk for Automotive Workshop, Office Clerk for Mechanical Workshop, Special General Worker for Buildings and Land, Consumption Meter Reader, and Late-Accounts Collector

Note: In the Field and Office Sections, the substitutions will be pursued within their respective districts.

Section - Field Services – Consumption Meter Installers,

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Consumption Meter Reader, Powerline Conservation Group Worker, Accounts Receivable Collectors, Local Electrical-System Workers, Service Restoration Workers, Special Powerline Technicians, Powerline Technicians I, II and III, Field Electricians, Meter Testers I and II, Special Testers, Heavy Vehicle Drivers I, II and III, Trimmers, Customer Service Investigators, Janitors, General Powerline Workers, Electrical-System Load Examiner, Substation Electrician, Non-Skilled Workers, General

Worker for Buildings and Land I and II, Garage Assistant, Painters, and Heavy Equipment Operator

Section - Government Accounts Office

Section - Wholesale Accounts Department

Section - Customer Service Center

Section - Commercial Operations Training Center

Section - Mechanical Workshop - General Workshop Mechanic, Welders, Carpenters, Automotive Mechanics I, II and III, Automotive Mechanic Assistant, Garage Assistant and Tinsmiths

Section - Suboffices

Monacillos Area - Transmission and Distribution

Section - Office - Service Dispatchers, Office Clerks

Section - Area Office Clerks, including Studies Section

Section - Office Clerks - Scheduled Conservation and Construction and Improvements

Section - Office Clerks - Technical Districts of Río Piedras and Monacillos

Section - Services - Electrical-Installations Inspectors, Consumption Meter Installers, Meter Testers, Local Electrical-System Workers

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Section - Scheduled Conservation - Powerline Technicians, Trimmers, Heavy Vehicle Drivers, General Powerline Workers, Powerline Conservation Group Workers, Office Clerk for Transmission and Distribution I, Heavy Equipment Operator I, II, and III, General Worker for Buildings and Land I and II, General Worker for Scheduled Conservation

Section - Construction and Improvements - Powerline Technicians, Heavy Vehicle Drivers, General Powerline Workers, Field Electricians I, II, and III, Office Clerks for Transmission and Distribution I, II, and III

Section - Service Dispatch - Service Restoration Workers, Special Powerline Technicians, Powerline Technicians, Office Clerk III - Monacillos Area

Section - Technical District of Río Piedras - Powerline Technicians, Heavy Vehicle Drivers, Trimmers, General Powerline Workers, and Powerline Conservation Group Worker

Section - Technical District of Monacillos - Powerline Technicians, Heavy Vehicle Drivers, Trimmers, General Powerline Workers; Installers, Heavy Equipment Operator III, Powerline Conservation

Group Worker, Non-Skilled Worker, and General Worker for Buildings and Land II

Center for Commercial Technical Services

Section - Office Clerks - Typists, Office Clerks for Technical Services - Computer Systems, Meter Tester, Consumption Meter Installer, and Investigator of Irregularities in Electrical Installations (They compete in the area where they are stationed.)

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CERTIFIED TRANSLATION

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Commercial District Office in Río Piedras

Section - Office - Office Clerks, Consumption Meter Readers, Customer Service Investigators, Couriers, Janitors, Consumption Meter Installers, Relay Office Clerks - Computer Systems, Office Clerks - Typists, General Office Clerks - Computer Systems, Late-Accounts Collectors, Office Clerks for Customer Service - Computer Systems, Relay Office Clerk for Customer Service, General Office Clerk for Distribution and Services and General Worker for Buildings and Land

ELECTRICAL SYSTEM DIRECTORATE

Section - Electrical System Training Center (CASE, acronym in Spanish)

Section - Fuel Office

DIVISION FOR CONSERVATION AND TECHNICAL SERVICES

Section - Office of the Division Chief and associated Offices

Section - Superintendent Department for Electrical Conservation of Power Generation Plants

Section - Superintendent Department for Preventive Conservation

Section - General Administration Office

Section - Extension of Useful Life

Section - Contracts and Requirements

Section - Reliable Generation and Statistics

Section - Engineering and Conservation Projects (Electrical-Instruments)

Section - Engineering and Conservation Projects (Mechanical)

Section - Division for the Power Generation Plant - San Juan

Section - General Mechanical Workshop - Northern Area

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CERTIFIED TRANSLATION

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- Section - Division for the Power Generation Plant - Costa Sur-Guayanilla
- Section - General Mechanical Workshop - Southern Area
- Section - Division for the Power Generation Plant - Aguirre
- Section - Division for the Power Generation Plant - Palo Seco
- Section - Section for Conservation of Boilers, Turbines, and Auxiliaries - Power Generation Plants (In their respective Power Plants, they constitute a section.)

#### HYDRO-GAS AND COMBINED CYCLE DIVISION

- Section - Hydro-Gas Station - Dos Bocas, Caonillas I y II
- Section - Aguirre Combined-Cycle Power Generation Plant
- Section - Hydro-Gas Station - Río Blanco, Yabucoa, Dagua, Vieques, and Culebra
- Section - Hydro-Gas Station - Aguirre, Toro Negro I and II, Jobos, Patillas, and Carite
- Section - Hydro-Gas Station - Costa Sur-Guayanilla, Yauco I and II, Garzas I and II
- Section - Hydro-Gas Station with Gas Turbines at Mayagüez
- Section - Scheduled Conservation Section - Hydro-Gas Power Plant
- Section - Hydro-Gas Power Plant (which includes Hydro-Gas Central Administration), Hydro-Gas Station, Gas Turbines at Palo Seco and Gas Turbines at Vega Baja, Comerío Hydroelectric Plant, and Sabana Llana Battery Storage Power Plant
- Section - Cambalache Combustion Turbine Plant

#### DIVISION FOR ELECTRICAL-SYSTEM OPERATIONS

- Section - Office of the Division Chief and associated Offices
- Section - Administrative and Service Office

#### Chief, Protection Subdivision

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CERTIFIED TRANSLATION

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Section - Protection Department – Northern Area

Section - Protection Department – Southern Area

Chief, Telecommunications Subdivision

Section - Telecommunications Department - Northern Area

Section - Telecommunications Department - Southern Area

Section - Planning and Construction Department - Telecommunications System

Chief, Operations Subdivision

Section - Superintendent Department for Operations

Section - Superintendent Department for Acceptance Tests

Section - Aerial Operations Department

Chief, Substations Conservation Division

Section - Superintendent Department for Substations Conservation – Northern Area

Section - Superintendent Department for Substations Conservation – Southern Area

Section - Superintendent Department for Planning and Cost Control

Transmission Center - Northern Area

Section - Office - Office Clerks for Area Dispatch, Relays, Communications

Section - Relays - Northern Area - Relay and Instrument Technicians, Assistants for Protection and Measurement Equipment Conservation

Section - Carrier-Current Relay Technicians, other Department personnel, Technicians for Remote Control Equipment Conservation

Transmission Center - Southern Area

Section - Office - Office Clerks for Area Dispatch, Relays, Communications

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- Section - Relays - Southern Area - Relay and Instrument Technicians, Assistants for Protection and Measurement Equipment Conservation
- Section - Carrier-Current Relay Technicians, other Department personnel, Technicians for Remote Control Equipment Conservation
- Section - Communications - Electronic Equipment Technicians, other Department personnel

If there is any change in the administrative structure of the Authority or when new facilities that affect the existing organization emerge during the term of this agreement, the Advisory Board may agree to the necessary changes in the sections established herein.

Section 17. Each worker will have specific duties according to his/her classification or appointment. No worker will be required to perform any work outside the duties of his/her position without his/her consent. No worker can be admonished or punished for refusing to give his/her consent to perform functions that are outside the specific duties of his/her position.

Section 18. The Authority shall not confer supervisory, executive or administrative powers to any worker of the appropriate unit.

Section 19. The relay positions will be classified in the occupational group corresponding to the highest ranking position that could be relieved within the appropriate unit.

## ARTICLE VII - TRAINING

Section 1. Training in promotion cases

- A. When the Authority has the need to assign a regular worker to training for promotion purposes in a higher position with duties of a different nature from those of the position he/she occupies, such position in training shall be published as conditioned to the approval of the training. Such training shall not exceed a period of six (6) months. The position will be awarded in accordance with the provisions of Article IX of this agreement.

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- B. In promotion cases in which the regular worker is required a short period of time that will not exceed six (6) weeks to become familiar with the duties of the higher position, the worker will be paid the salary corresponding to such position, as provided in this agreement for promotion cases.

Section 2. Training in cases of mechanization, automation, or implementation of new systems and procedures:

- A. When, due to mechanization, automation, or the implementation of new systems and procedures, there is a need to amend the duties and functions of some positions, the Authority will offer training in the new duties to the regular workers that are affected.
- B. When the Authority needs to train personnel as a result of mechanization, automation, or the implementation of new systems and procedures, the regular skilled workers with longer service in the affected Section will be given priority to occupy the positions in training, and selection of the candidates shall be carried out in accordance with the provisions of Article X.

Section 3. In the cases of training to assume newly created positions when a new nuclear thermoelectric plant or new nuclear thermoelectric units, or new units of electric power production start operations, the provisions of Article IX, Section 10, of this agreement shall be applied.

Section 4. In all cases of training, including training contemplated by Section 10 of Article IX of this collective agreement, the following provisions shall apply:

- A. The Authority will determine the positions that will be subject to training, as well as the requirements, preparation, nature, content of the course or site thereof, as well as the staff or institution to offer the same.
- B. The workers' performance shall be determined by such periodic reviews as the Authority deems necessary.

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It is understood that, if these exams are not approved, any trainee may be removed from the course and returned to the position or status he/she was in before being selected for training.

- C. During training, the daily schedule or the weekly work program may vary according to the requirements and conditions of the same.
- D. If necessary, the Authority shall assign the personnel or part of it to continue or complete the theoretical or practical training to other power generation plants.
- E. The accumulated vacation time will be enjoyed according to a special program that will not conflict with training requirements and conditions.
- F. The regular, special regular, or temporary worker or the person from the Registry of Eligible Candidates selected for training will be awarded the position in training conditioned to the approval of such training; and, if the training is not approved, he/she will return to the original condition of regular, special regular, or temporary worker or to the Registry of Eligible Candidates, as the case may be. It is understood that the regular employee will be reinstated to his/her position and previous salary. Temporary employees who do not have the opportunity to continue working as such will go to the Register of Suspended Temporary Employees.
- G. If there are discrepancies in the award of positions in training, in order to expedite the award of these, the Authority and the Union agree that the Complaints Committee should give priority to these cases.
- H. The positions awarded to other workers as a result of the training of a regular worker will also be conditioned to the satisfactory approval of the training by the worker.
- I. Once this training has been satisfactorily completed, the condition to the position will be eliminated and it will be understood that the position will remain awarded to the worker on a permanent basis. The payment will be the one corresponding to the occupational group of which the position is part.

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- J. Once the worker approves the training, he/she will remain in the position for which he/she was trained for a period of not less than three (3) months for each month of training. This provision will not apply in those cases in which the employee requests and is awarded a position in promotion.
- K. Any worker who does not approve the training will have to wait a reasonable amount of time before requesting again opportunities of positions in training included in the same class (Class Title), unless he/she demonstrates that, after the disapproval, he/she has gone through training preparation. For the purposes of this Section, the following shall be considered a reasonable waiting time:
1. One (1) year from the non-approval date of the first training.
  2. One (1) year from the non-approval date of the second training.
  3. One year and a half (1½) from the non-approval date of the third training.
  4. Two (2) years from the non-approval date of the third training in subsequent opportunities.
- L. Those workers who are awarded positions in training must undergo the physical examinations that the Authority and the regulatory agencies require.

Section 5. The workers will take the improvement courses that are related to their duties and that the Authority determines necessary to offer its personnel. The Authority will select impartially the personnel who will take such courses. In these improvement courses, the employees will not be required to pass the examinations or tests that may be supplied to them.

Section 6. Powerline-Technician School to Active Employees

The Authority shall establish at least one Powerline-Technician School every two (2) years with active employees. To this end, it will call and evaluate those regular and special regular employees who are interested

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in training as Powerline Technicians. The call will be circulated for a period of thirty (30) calendar days through all the facilities of the Authority and a copy will be sent to the President of the UTIER State Council. The Authority shall submit to the Union a list of all applicants and then notify the selected employees as soon as the selection process concludes. The regular six (6) month training shall be adjusted to reduce it to a term of not less than four (4) months. This training will have a theoretical part and a practical one, ensuring that the safety and technical aspects that are included in the regular course are not undermined.

A. The criteria to select the candidates are the following:

1. Over 18 years old.
2. Confirmation that the company can do without the services that this employee performs in his/her work place.
3. Physically active.
4. Medical evaluation and drug test.
5. Minimum of two years of experience in the operations, conservation, or construction of the Transmission and Distribution System, or, in its place, a License as an Electrician.
6. Interview of the Selection Committee and evaluation of the file. Those employees who are rejected by the Committee will be notified in writing about the reasons. They shall be strictly based on the criteria set forth herein.
7. The employee's record shall not reflect disciplinary action that is pending, on probation, or is related to violation of the rules of conduct within the preceding five (5) years. Neither shall such a file reflect problems of absenteeism.
8. High school diploma.
9. Approval of the General Skills exam.
10. Approval of the Psychological Evaluation test.

B. The Electric Power Authority may require drug testing from the selected personnel at any time from the start of

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- training to the day of graduation, in accordance with the procedure and regulations agreed upon by the parties.
- C. The Authority reserves the right to separate from training those participants who:
1. In the opinion of the Supervisor of the Electrical Distribution Training Center, have not been able to develop the skills of the trade to the optimum degree of execution.
  2. Demonstrate a poor attitude towards work.
  3. Observe a conduct in violation to the existing discipline rules at the Authority.
  4. Have a level of absenteeism in hours that is equivalent to nine (9.0) hours of training and that, in the opinion of the trainer, prevents the essential objective of the course.
  5. Test positive for drugs.
- D. The Authority will pay the basic salary that the employees earn during the duration of the training. It will also pay, when applicable, the transportation expenses and the lunch per diem.
- E. Once the training is completed, the Electric Power Authority will give them the Powerline Technician exam. If the candidates fail to pass the exam, they will return to the work center where they belong and the position they were occupying.
- F. Once the training is completed and approved, these employees will be assigned to occupy the Powerline Technician positions of lesser grade and for which they qualify wherever they are needed, giving priority, if possible, to the district or region where they have been previously working.
- G. If they fail the training, they will not be able to participate in the training until three (3) years have elapsed.
- H. The employee who is selected and approves the course shall remain a Powerline Technician for a minimum term of five (5) years.
- I. These employees shall be subject to all provisions contained in Article VII, Training, which are not inconsistent with this Section.

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## ARTICLE VIII - PROCEDURE FOR THE RECLASSIFICATION OF POSITIONS

Section 1. The Authority shall determine the specific requirements and duties of each position or job class and shall notify them as soon as possible to the Union and to the incumbent or the worker appointed to the same, as the case may be; the requirements and duties shall be written in the Spanish language.

Section 2. If the requirements, duties, or title of an existing position or job class have to be amended, the interested party shall notify the other for the purpose of discussing and agreeing on employment conditions, requirements, duties, title, and classification. In this procedure, the Union will be represented by the President of the State Council or the person in whom he/she delegates. The Electric Power Authority shall be represented by the General Administrator of the Personnel Office or the person in whom he/she delegates.

Section 3. The parties shall have a term of thirty (30) working days in individual cases and sixty (60) working days in collective cases from the date of receipt of the notification to reach an agreement.

If an agreement is not reached within the corresponding term, either party shall bring the matter before the Job Reclassification Committee within ten (10) subsequent working days.

Section 4. In cases in which it is determined that the reclassification proceeds to another occupational group, the effectiveness of the same will be established based on the following:

- A. In those cases of amendments to duties and requirements requested by either party, the reclassification shall be effective in the payment period following the date on which the parties sign the agreements or the arbitrator issues its decision.
- B. In those cases of reclassifications due to the evolution of functions or misclassification, the reclassification will be effective in the next payment period closest to the date on which either the thirty (30) working days or sixty (60) working days after the notification of the Union request have elapsed.
- C. Provided that the worker or workers will be assigned the salary that corresponds to them, in line with their years of service and the occupational group to which they were reclassified.

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Section 5. The Authority and the Union agree to create the Job Reclassification Committee consisting of two (2) representatives from each party and one arbitrator, who shall have the authority to review the cases that are submitted for their consideration and to issue a decision on the classification applying the job evaluation system in force.

The decision of the Committee in all cases shall be rendered within a reasonable period of time and shall be final and binding on the parties, ensuring that the decision be informed to the President of the State Council, to the General Administrator of the Personnel Office, who shall be responsible for its implementation, and to the General Administrator of the Office of Labor Affairs.

Section 6. The arbitrator will be selected as follows: a permanent arbitrator selected by mutual agreement between the General Administrator of the Authority's Office of Labor Affairs and the President of the UTIER State Council to intervene in all cases. The selected arbitrator shall serve for one (1) year from the date of his appointment. Once said term has expired, the parties may meet again to appoint a new arbitrator or extend the appointment of the acting arbitrator.

The arbitrator's fees shall be paid in the following manner: fifty percent (50%) by the Authority and fifty percent (50%) by the Union.

Section 7. In the event that a single arbitrator is not sufficient to deal with all cases within a reasonable period of time, the parties may select by mutual agreement one or more additional arbitrators, in accordance with the provisions of this Section.

Section 8. The parties, aware of the volume of cases that will be generated as a result of the requests for review of positions once the Job Evaluation Plan is put into effect, agree to leave in suspense for one (1) year the procedure time limits established in this Article.

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## ARTICLE IX - VACANT AND NEWLY CREATED POSITIONS

Section 1. When filling vacant or newly created regular positions, preference and priority will be given, according to the order of priority and selection established in Section 3 of this Article, to regular workers with more service time in the Authority who are qualified to perform such positions and that have requested them in writing to the Personnel Office within the specified period of publication.

If the employee considers that the request will not arrive on time to the Personnel Office, he/she must submit the form "Vacant Position Request" to his/her immediate supervisor. The supervisor will certify on the form the date and time he/she receives it and return it to the employee, who will be responsible to deliver it at the Personnel Office no later than five (5) business days from the date of expiration of the published position. The employee will send a copy to the corresponding Chapter President and must retain a copy for his/her records. In those cases in which the employee sends the request via the US Postal Service, the postmarked date will be considered as the official date of the request.

### Section 2.

A. Every applicant for a vacant or newly created regular position must meet the requirements set by the Authority and provide current evidence of those licenses, certificates, or diplomas held to be placed in his/her personnel file by the expiration of the publication. Once this evidence has been submitted by the worker, the Authority will certify the receipt of the same and assume responsibility for its custody.

Employees belonging to the appropriate unit may request exams and training of their interest to compete in higher grade positions, provided they meet the requirements established for the positions other than experience.

The Authority shall prepare and supply to the requesting employee information that serves as a guide for the subjects included in the special examinations and the training offered by the Authority to fill the different positions.



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B. When the following circumstances are present, the specified requirements for the corresponding job class are considered unnecessary:

1. When a regular or temporary worker has satisfactorily performed the functions of a post for a period of (6) months or more that requires a certain level of education or certain tests, without complying with said requirements, these will be obviated for the purpose of determining his/her right to assume any position that has the same requirements.
2. The specific examination related to certain subject required by the Authority from a worker to assume a position will be ignored when the position requires to have a license to be able to practice or perform the functions. Said examination shall also be understood to be obviated for all positions where the same examination is required, even if these positions do not require the license.

C. In positions that have gradation, related experience will not be required in the first gradation of these positions, except in those cases in which the parties have agreed or agree to require previous experience in the first gradation. **The positions that require experience in the first gradation as agreed by the parties are the following:**

- |     |   |              |
|-----|---|--------------|
| 1.  | <b>Payroll Auditor I</b>  | <b>12052</b> |
| 2.  | <b>Accountant – Computer Systems</b>                                      | <b>12261</b> |
| 3.  | <b>Mechanic – Power Generation Plant I</b>                                | <b>31151</b> |
| 4.  | <b>Boiler Mechanic I</b>  | <b>31161</b> |
| 5.  | <b>Reaction Engine Mechanic I</b>   | <b>31021</b> |
| 6.  | <b>General Workshop Mechanic I</b>  | <b>31131</b> |
| 7.  | <b>Office Clerk – Advisor and Processor –<br/>Pensions and Benefits I</b> | <b>12222</b> |
| 8.  | <b>Office Clerk I – Transmission and Distribution</b>                     | <b>12411</b> |
| 9.  | <b>Insulating Oil Purification Equipment<br/>Operator I</b>               | <b>41111</b> |
| 10. | <b>Drafter I – Computer Systems</b>                                       | <b>22036</b> |
| 11. | <b>Printing Equipment Technician I</b>                                    | <b>11062</b> |
| 12. | <b>Relay Office Clerk I</b>   | <b>61311</b> |
| 13. | <b>Protection and Control Systems Technician I</b>                        | <b>21091</b> |
| 14. | <b>Mortgage Loan Processor I</b>  | <b>12251</b> |

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The Authority will keep up to date the experience catalog of UTIER positions. The Personnel Office, when validating the experience requirement for the award of a post, will consider the experience obtained in positions whose functions are similar. For this purpose, the UTIER Chapter Presidents will be able to check, when they deem it appropriate, this catalog to ensure it is kept up to date and correct. The Authority shall notify catalog changes to the President of the State Council within thirty (30) days.

Those workers interested in having the Authority certify their experience should comply with the established procedure. To this end, the parties adopt the Procedure for Certification of Work Experience outside the Authority approved in September 2004.

In cases where the Union disagrees with changes to the catalog of experience or with the Certification of Experience of a worker, it shall notify its objection to the Head of the Personnel Office in writing, stating the grounds on which the Objection is based.

The Chief of the Personnel Office shall have ten (10) working days to reply in writing to the Union arguments. If the Union does not agree with the position issued by the Chief of the Personnel Office, or when the term to answer has expired, the Union may file a complaint with the Bureau of Conciliation and Arbitration within the next thirty (30) days through the arbitration process set forth in Article XXXIX, Section 12, as amended for these purposes.

Section 3. The publication of vacant and newly created positions will be carried through a single publication island wide **with the exception with the Island Municipalities of Vieques and Culebra. The vacant positions located in the Island Municipalities of Vieques and Culebra when published according to this article will give priority to workers that reside in those Islands. To comply with**

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**the adjudication process, the priority order of section 3-B of this Article will be followed.**

- A. The publication of vacant or newly created positions will be made in Spanish for a term of ten (10) working days, specifying the schedule, shift, section, department, office, administrative unit, division or district and the position requirements.
- B. The following priority order in the selection of candidates according to their seniority will be followed:
  - 1. Regular employees in promotion, equal to equal, and special regular employees
  - 2. Regular employees descending
  - 3. Temporary employees
  - 4. **Emergency Active employees**

**For the purposed of this article, the term Emergency Active refers to emergency employees that are working on the expiration date of the publication.**

Workers that apply for positions in the same occupational group as the ones they have at the time of application will have to accept them if they are selected. **A candidate that applies for a position in which the classification, work section, work program or site are the same as in the position he/she holds will not be considered for the position.**

Section 4. If, during the term of this agreement, the Authority acquires any electrical system that is not currently being administered by the Authority and integrates it into the electrical system of the Authority, the new positions that are created will not be published and will be filled with the personnel that the Authority hired when purchasing or acquiring such a system.

For the purposes of this agreement, the seniority time of all the personnel that transfers to the Authority by means of this procedure will start counting from the effective date of his/her appointment as a regular employee in the Authority. Any provision affecting such employees, not provided in this agreement, shall be discussed and agreed upon with the Union prior to the effectiveness of their employment with the Authority.

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New positions that are not filled by transferred personnel will be covered in accordance with the provisions of this Article.

Section 5. Non-regular workers who have rendered efficient services to the Authority shall have preference over other individuals on the list of eligible candidates that are non-members of the appropriate unit when temporary or emergency employment opportunities arise in activities covered by this agreement for which they qualify, are trained and have applied.

Section 6. The classification that the worker has in accordance with Article VI of this Agreement on the expiration date of the publication of a position will be the one that will be considered for the purposes of the adjudication of such position.

Section 7. Any temporary or emergency worker who has ceased working with the Authority in activities within the appropriate unit of this agreement for more than ninety (90) consecutive calendar days, for reasons other than illness, accident, or maternity duly verified, loses the right to be credited the temporary service rendered before such severance to compute his time of service in the Authority in case of being reemployed.

When a temporary or emergency employee called to work is ill by the date ninety (90) days have elapsed, so that he does not lose the accumulated service time, he must notify it at the expiration of said period and then bring a medical certificate within the next thirty (30) calendar days.

Section 8. The Authority will keep updated the records of suspended temporary workers or suspended emergency workers in seniority order and identified by area. The different UTIER chapter presidents, those in whom they delegate or both, will be able to check when they consider convenient the mentioned registries with the purpose to ensure they are kept up to date and correct. For purposes of reemployment, the most senior employees in the Authority shall be considered first. The Authority shall send a copy of any appointment of temporary or emergency personnel to the Local Chapter and the State Council.

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Section 9. No candidate from the list of eligible persons will be employed as long as there are special regular employees available or candidates in the Registry of Suspended Temporary Workers or the Registry of Suspended Emergency Workers.

Section 10. When newly created positions are to be filled at the start of the operations of a new Power Generation Plant, the necessary candidates will be selected to receive special training among the regular workers of the existing Power Plants that are trained and qualified and who have requested an opportunity to occupy said positions, giving preference to those who have more service time when selecting to go through special training.

If no qualified and trained personnel is found among regular, special regular, temporary, **and Active emergency** workers that apply, the necessary candidates will be selected from those **that fulfill the requirements of the position** and are included in the Registry of Suspended Temporary Workers **or the Registry of Suspended Emergency Workers**.

Section 11. When filling a vacant or newly created seat within the appropriate Unit, the Authority and the Union shall discuss as soon as possible, but not later than thirty-five (35) working days after the publication of the position expires, with the participation of the Chapter President or the Section representative or the person in whom the Chapter President has delegated, in regards to those candidates eligible to occupy the position and will draw a minute of their meetings.

The Personnel Office shall send as soon as possible, but no later than twenty (20) working days, the list of candidates to the corresponding supervisor with a copy to the State Council and to the corresponding Chapter President at the expiration of the publication.

Once the list has been received, the corresponding supervisor shall call a meeting in writing with the corresponding Chapter President, who may delegate to the Section Representative or a Union representative designated by him among the chapter delegates. They shall meet, discuss, and agree on the award of the post as soon as possible, but no later than fifteen (15) working days after receipt of the list, for which a minute of the meeting shall be prepared. The Union may request

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written postponement prior to the meeting to award the position. In case of postponement, the meeting will be held within a non-extendable term of seven (7) working days from the date of postponement. The candidate selected by the parties will be informed immediately of the decision taken. At that time, he/she must accept or decline the appointment, which will be recorded in the minute.

In the case of qualified candidates with the same seniority, the most suitable will be selected using the following criteria in the order they appear:

1. Service time as a temporary employee.
2. Service time as an emergency employee.
3. Day and time when he/she began to work in his/her initial 14-day period.
4. Geographic area where the employee lives closest to the place where the position is published. For these purposes, the residential address that appears in the personnel file will be used.
5. Experience directly related to the job functions and logical line of promotion.
6. Score obtained in exams.

In all cases of candidate disputes, the Authority shall issue a conditioned regular appointment subject to the arbitrator's decision. Appointments made to other employees as a result of the appointment of the selected candidate will also be conditioned upon the decision of the arbitrator.

The Chapter President or the Section Representative shall have thirty (30) calendar days following the date of the meeting to notify the General Administrator of the Labor Affairs Office, with a copy to the supervisor of the position, of his/her intention to submit the case to arbitration and request the intervention of an arbitrator. Failure to comply with the aforementioned terms will eliminate the condition of the appointment and the selected candidate will occupy the position permanently.

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Section 12. Procedure for the Designation of Arbitrator and Arbitration Hearing

The procedure established in Article XXXIX will be followed.

Section 13. Any worker who has been selected to occupy a vacant or newly created position in accordance with the provisions of this Article shall begin to accrue the corresponding salary in said position in the next payment period after the date of award, unless the time between the award date and the beginning of the next payment period is five (5) working days or less, in which case the salary will begin to accrue in the subsequent pay period. For the purposes of this provision, working days will be considered as Monday through Friday, including holidays.

Section 14. The classification of vacant positions may not be lowered until the positions have been published and consideration has been given to all regular workers with the right to promotion to occupy them or those who occupy positions with the same classification as that of the vacancy.

Section 15. When a regular vacant post is temporarily occupied for a term of forty-five (45) calendar days, the Authority is obligated to fill that vacancy with the corresponding employee in accordance with this Article.

Section 16. In those cases where a position is published and trained and qualified candidates are not found because they do not fulfill the experience requirement, and after having exhausted the Registry of Suspended Temporary Workers, **the Registry of Suspended Emergency Workers**, and the Registry of Eligible Candidates, the Authority **will meet with the corresponding Chapter President for the purpose of discussing and agreeing** to publish the position in accordance with the provisions of Article VII, Training, of this Agreement.

Section 17. Those who **resigned as regular or special regular employees** from the Authority and had left a good sheet of service and request reentry in the Authority will be considered for vacant positions for which they qualify as long as it does not violate the rights of a regular, special regular, or non-regular worker. The salary will never be lower than the definitive salary of the occupational group of the position that is occupied.

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**Section 18.** In the event that a position awarded pursuant to this Article becomes vacant, within the first 90 calendar days after the effective date of the appointment, the parties will again evaluate the original list of candidates who requested the place to make a new appointment. Candidates who have been awarded a position within the 90-calendar-day term and who are in a position of the same occupational group as that of the one to be adjudicated can only decline under these specific circumstances. The foregoing shall be considered as an exception to the provisions of the last sentence of Section 3, Item B of this same article.

#### ARTICLE X - EMPLOYMENT STABILIZATION

**Section 1.** It is one of the fundamental purposes of this agreement to stabilize the employment of the regular workers covered by it. The Authority therefore declares that, should it be compelled by forceful reasons to suspend or reorganize certain activities of the industry, it will, with priority, employ regular workers affected by such suspension or reorganization in other activities of the industry in accordance with the capacity and ability of such workers, who shall have priority over the rights of all other regular workers covered by this agreement to occupy vacant or newly created positions provided they are qualified to perform them. In these cases, it will not be necessary to publish the positions.

When newly created positions are to be filled with the start of the operations of a new thermoelectric power plant or new thermoelectric units, the priority of these workers will be limited to competing jointly in accordance with Section 12 of Article IX, without the need to file with other regular workers who request it.

**Section 2.** In order to make the provisions of Section 1 of this Article viable, the Authority shall notify the Union not less than six (6) months in advance of the possible suspension or reorganization of any activity of the industry with the purpose of discussing between the parties and agreeing on the reallocation of workers affected by the possible

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suspension or reorganization of activities in light of the provisions of this Article.

Section 3. The Authority shall discuss and agree with the Union, represented by the State Council or the person to whom it delegates, on vacant or newly created positions that may need to be conditioned for the purpose of giving the best compliance to the provisions of this Article.

Section 4. In cases of suspension or reorganization of activities, the affected regular employees who are qualified and have more time of service will have priority over the other workers to occupy the vacant and newly created positions that emerge in the Section, the Department, or the site due to the suspension or reorganization without the need to publish them.

Regular workers affected by suspension or reorganization of activities may be reassigned to occupational groups higher than those they occupy in those cases in which they no longer receive compensation for special work conditions, such as differential pay, work program of eight (8) consecutive hours, etc.

Section 5.

- A. In the event that a regular worker affected by a suspension or reorganization of activities was assigned to a position of a lower occupational group, he shall retain the same basic salary that he had assigned in the position he previously occupied and the rules for step increase will be applied to him according to the service time as if he/she had stayed in his/her previous position and step.
- B. During the first twenty-six (26) periods of payment while occupying the position to which the affected regular worker was assigned, he/she will be paid all those marginal benefits that would have corresponded to him/her if he/she had remained in his/her original position, such as payment for the meal period, differential pay, double pay on working holidays in his/her work program, etc., up to an amount equal to the total compensation he/she would have received in the position he/she occupied before the suspension or reorganization of activities.

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- C. The affected regular worker will have priority to occupy a vacant or newly created position that is classified in the same occupational group as the position that he/she occupied before being affected by the suspension or reorganization of activities, provided he/she is qualified to occupy the position. This assignment will not be considered as a promotion.

#### ARTICLE XI - WORKDAY, WORKING TIME, WORKWEEK, REGULAR WORKING HOURS

In accordance with the provisions of Article I, Recognition of the Union, of this collective agreement, the parties agree as follows regarding the regular working time:

Section 1. The workday shall comprise any period of twenty-four (24) consecutive hours that are counted from the time the employee should begin work and end twenty-four (24) hours later.

Section 2. The working time includes hours of work during which the basic pay rate per regular working hour, fixed according to the annual or hourly compensation, as the case may be, is applied and is made up of seven and a half (7½) hours as the workday maximum.

Section 3. The workweek shall comprise any period of seven (7) consecutive days counted from the time and day on which work begins, of which the first five (5) will be workdays and the last two (2) free days. During the workweek, workers may be required to work at the basic pay rate per regular working hour up to a maximum of thirty-seven hours and half (37½) during the first five (5) days at a rate of seven hours and half (7½) per day.

Section 4. Rotational shift programs shall consist of five (5) consecutive workdays at seven and a half (7½) consecutive hours per day and two (2) days off. Those programs that are not rotating shifts will be adjusted to five (5) consecutive workdays and two (2) days off.

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Section 5. When a change is made to the work schedule of a rotating shift worker, the worker will be paid twice the regular pay rate including the basic pay for the hours worked on his/her first workday after the change is made, except in cases in which the employee has enjoyed his two (2) days off, returns from vacation, or has been transferred.

Section 6. In work schedules in which the regular working time is interrupted to have a meal, the interruption will not exceed one (1) hour.

Section 7. When a laborer with interrupted working time is required to work during the period set for having a meal, the time worked during that period will be compensated at double his/her regular rate of salary and that time will be taken into account to determine the time worked in excess of the regular working time.

Section 8. When an employee is required to work during the meal period, the Authority shall grant him/her the necessary time to take the meal, which will not exceed half ( $\frac{1}{2}$ ) hour and will be granted no later than the end of the fifth working hour, and, if he/she is not granted such an indispensable time, he/she will be paid an additional compensation that will be equivalent to one (1) hour of work at his regular pay rate.

Section 9. In the case in which a regular worker is absent from work after having worked during the meal period and does not work his/her full regular day, the time that he/she is absent from that regular day will be charged to the corresponding leave and the time worked during the meal period will be paid double the regular pay rate.

Section 10. Laborers who work during seven and a half ( $7\frac{1}{2}$ ) consecutive hours will be granted, in their specific work area or zone, fifteen (15) minutes to take their meal, which will be considered as worked and which should be enjoyed between the end of the fourth hour and not later than the end of the fifth hour, without being relieved of their duties and according to the program established for that purpose by the Authority. Such workers will receive compensation at

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double the regular pay rate including basic pay for the hour worked corresponding to the meal period.

Section 11. The parties expressly agree that the foregoing provisions shall be governed solely by the laws of Puerto Rico and are excluded from the application of federal laws, so that for the computation of extraordinary pay the regular rate of hourly wages shall not vary.

Section 12. The regular program of working hours fixes the laborers' regular working hours during the days of the workweek.

Section 13. In those places where possible, the Authority shall grant the employees fifteen (15) minutes during the four (4) hours of the morning and fifteen (15) minutes during the three and a half (3½) hours of the afternoon to take snacks. Such fifteen (15) minutes will be granted in shifts in such a way that they do not unduly interrupt the work of the office or workplace.

Section 14. The parties acknowledge that the work schedules (days and hours) currently prevailing in the Authority are part of the workers' employment conditions.

When the Authority is interested in any change in the work schedule of a worker or group of workers, it shall notify the Union President and the Chapter President in writing, two **15 days** 14-day periods in advance of the proposed change. The Union may accept the change or, in its place, request in writing the holding of a meeting, in a term not greater than 10 days, to discuss and agree on alternatives to the proposed changes, taking into account both the needs of the service and the convenience and seniority of the workers.

The meeting will be a complete obligation for both parties. If no agreement is reached at such a meeting, the Union may refer the dispute to an accelerated special arbitration within ten (10) working days following the meeting. This arbitration shall be requested from the Bureau of Conciliation and Arbitration at the Department of Labor, and the arbitrator shall be selected by means of the shortlist procedure.

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The Authority shall publish vacant or newly created positions, specifying the work schedule (days and hours) of the same. Once established, they can only be varied according to this procedure. The positions that are published will also include the section to which they belong.

Changes in work schedules (days and hours) will be made taking into consideration the following procedure when making staff selection. The criterion to be used will be the one of seniority in each one of the classifications:

1. Voluntary Employees.
2. Temporary Employees.
3. Special Regular Employees.
4. Regular Employees.

Section 15. The Authority and the Union shall jointly study those cases where, due to extraordinary changes in the work schedules, it becomes necessary to determine by mutual agreement the payment of the workweek affected by those changes.

The corresponding Chapter President or the person in whom he/she delegates shall be present when such study is carried out to determine such payment.

Section 16. The Authority and the Union agree that, if it is necessary and desirable to alter the uniform working hours of the offices, a referendum will be held among the employees of the Authority to alter the timetable.

The schedule to be established will always be a uniform schedule for all offices.

Section 17. In consideration of the work that must be performed in the Laboratories of the Power Generation Plants, the Laboratory Technicians that are members of UTIER's appropriate Unit will be governed by shifts covering the necessary periods seven days a week in translation movements, according to the needs of each plant. These employees will enjoy the rights to differential payment and holidays established in this collective agreement corresponding to the shift they are performing.

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## ARTICLE XII - VACATION FOR REGULAR WORKERS

Section 1. Regular workers shall be entitled to enjoy an annual vacation leave with full pay for thirty (30) working days per year, which shall be accumulated at the rate of two and a half (2½) working days for each month of employment.

Section 2. When a worker, for his/her own reasons, does not wish to take the accumulated vacation leave that he/she is entitled to enjoy during the year, such unused leave shall be taken during the following calendar year in accordance with the vacation schedule, at the end of which the remaining unused leave due to service needs will be paid to the worker by the Authority.

Section 3. The vacation leaves will be set to be taken in accordance with a schedule established by the supervisor and the workers, considering the worker's convenience and the service needs and reducing to a minimum the periods of simultaneous vacation leaves within the same department or section. Changes to dates to take vacation leaves may be introduced to said program when the circumstances and needs of the service vary, which will be discussed previously between the Authority, the representative of the section or department, and the affected workers.

Section 4. The request for the annual vacation leave for rest must be filed by the employee with the corresponding supervisor not less than one (1) month prior to the date previously agreed between the supervisor and the worker for the start of the enjoyment of such leave.

Section 5. The annual vacation leave for rest shall be paid in advance provided that this is stated in the leave application, in which case it will be filed by the corresponding supervisor with the Treasury Division the day after being filed by the employee and with not less than one (1) month before the beginning of the same. The advance payment will cover only those full payment periods included within the requested holiday period.

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Section 6. When a regular worker is enjoying his annual vacation leave for rest and is required by the supervisor, in cases of emergency and for the sake of the service, to interrupt his/her vacation and return to his/her job, the regular working hours corresponding to the vacation leave covering such interruption will be settled at the regular pay rate in a single payment and the corresponding charge to the accumulated vacation time will be made. The time worked during the interrupted vacation period shall be paid in accordance with the provisions of this agreement.

Those annual vacation leaves for rest that have been filed by the employee to the corresponding supervisor shall be considered as interrupted if, within a period of fifteen (15) days before beginning to enjoy the leave, the worker is notified by the supervisor that, due to an emergency and for the sake of the service, he/she will be required to continue working during part or all of the approved vacation period.

Notwithstanding the foregoing, the worker may choose to receive payment or enjoy his/her vacation immediately after the emergency or on a date fixed by mutual agreement, which will be recorded on the corresponding form. Vacation leaves which have been deferred by the Authority shall be granted in preference.

Section 7. Regular workers who suffer an accident at work accumulate annual vacation leave for up to thirty (30) business days during their leave of absence due to the accident.

For the purpose of such vacation leaves, the time to be considered will be up to a maximum of twelve (12) months from the date of the accident.

Any excess of twelve (12) months in which the employee is on leave due to an accident at work will not be considered to accumulate annual vacation leave for rest.

Section 8. The Authority shall pay regular employees, at the time they cease service, all annual vacation leave accumulated.

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### ARTICLE XIII - VACATION FOR TEMPORARY WORKERS

Section 1. Temporary workers shall accumulate nineteen (19) days per year for vacation leave at the rate of two point seventy-four (2.74) hours for each week in which they work not less than twenty-two and a half (22½) regular hours. The vacation time accumulated by the worker will be settled in any of the following situations:

- A. At the end of the fiscal year.
- B. At the end of his/her services in a section or department.
- C. At the end of the employment.
- D. When obtaining a probationary appointment.
- E. At the worker's request, vacation time will be totally or partially liquidated in case of serious illness of said worker, spouse (including child), children, parents or death of any of said relatives, or in any other meritorious case.

Settlement in the above cases shall be made within a term of no more than thirty (30) working days, counted from the corresponding date, as established in Sections A, B, C, D, and E.

Section 2. Since this agreement does not provide for the enjoyment of an annual vacation leave for temporary employees under a vacation schedule, when a temporary employee is absent for justified reasons, such absence shall be charged to his accumulation of annual vacation leave.

In the event that the use of the vacation leave in the manner indicated above causes its misuse, reflected by an abnormal increase in the absences of such employees, the parties commit to meet to establish the necessary controls to correct that problem.

Section 3. Paid public holidays granted to temporary workers and the days they are absent due to occupational accidents, included in the period of their appointment, shall be considered as worked days to compute the worked hours for the purposes of this Article.

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#### ARTICLE XIV - LEAVE FOR UNION OFFICIALS AND REPRESENTATIVES

Section 1. When Union officers or representatives have to discuss official matters of the same or complaints with the Executive Director, the heads of divisions or their authorized representatives, they will be granted leave with pay with no charge to their accumulated vacation leaves. This leave shall also be granted when officers of the Union State Council need to meet the day before in connection with matters to be discussed in the Consultative Board created in this agreement or with the Executive Director.

Section 2. The State Council may be accompanied by no more than three (3) Union workers when they are required as advisers to discuss the matter in question without such absence affecting their pay or vacation time. Such workers will also be granted leave with pay with no charge to their accumulated vacation time, including when they need to attend the State Council meeting the day before the council meets with the Advisory Board or the Executive Director. The request for leave of such advisers shall be made not less than twenty-four (24) hours in advance, except in cases of extreme urgency.

Section 3. Leave with pay and no charge to annual vacation leave shall be granted to the Chapter President or to the Section Representative when they need to go to the Labor Relations Board or to the Bureau of Conciliation and Arbitration at the Department of Labor and Human Resources for hearings related to cases of their respective chapters or sections. In case of both being in attendance, the Chapter President will be granted the leave.

Section 4. When a State Council officer or Union representative needs to address a complaint that has not been resolved at the other levels of responsibility, he/she shall collaborate with the supervisor at the highest level of responsibility in the district to resolve the complaint, for which he/she will be granted a leave with pay without affecting his accumulated vacation time; this covers moving to the site where the complaint arose, if necessary.

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Section 5. In cases in which a Local Chapter President or a State Council Officer needs to discuss a complaint with the advice of a worker who knows the matter to be dealt with, he shall request the corresponding division chief or the highest ranking supervisor of the area to which the worker belongs that the worker be allowed to accompany him to advise him when discussing the complaint. In that case, such worker will also be granted leave with pay and no charge to his accumulated vacation time. The request for leave of said worker shall be made not less than twenty-four (24) hours in advance, except in cases of extreme urgency.

In the event that the advice of such worker is necessary for a short period of time, in the same office, power plant, unit, or facility where the adviser works, the request may be made to the immediate supervisor of said worker with the anticipation that is possible.

Section 6. Members of the Union in the various committees set up in the collective agreement, including alternates, shall be granted a leave with pay and no charge to their accumulated vacation time when they are officially required to attend the meetings of their respective committees.

Section 7. Union officials or representatives shall notify the need for their absence from work to the immediate supervisor.

Section 8. The Authority shall grant leave without pay (Voluntary Separation of Employment and Pay Authorized for Definite Time) for union purposes to those regular employees who are members of the State Council, as defined on 14 October 1980, or equivalent executive positions of the Union. This leave will be used only and exclusively for the representation of the UTIER members in their labor relations with the Authority in official matters of the Union, and it will be granted under the conditions established, according to Stipulation between the parties signed on 15 August 1980 and amended on 16 October 1980.

The Authority will reserve for the employee the position and classification that he/she occupies at the moment in which the leave is granted and will credit the time spent under this leave towards seniority and years of service.

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The employee must notify the Authority thirty (30) days in advance of his/her intention to terminate this leave and return to his/her position.

Upon the conclusion of the use of this leave and reinstatement as an employee of the Electric Power Authority, the Union shall request in writing to the Executive Director that these employees be credited with the sick leave accumulated during the term of their incumbency as officers of the Union. To this end, a certified check must be attached for the cash equivalent of the leave at the regular hourly wage that the employee would have been accruing if he/she had remained in his/her position. This request must be made within ten (10) working days following the date on which the employee rejoined his/her duties, accompanied, in addition, by a certificate of the balance of accumulated leaves signed by the Union Auditor.

#### ARTICLE XV - SICK LEAVE FOR REGULAR EMPLOYEES

Section 1. Regular workers shall be entitled to accumulate sick leave at the rate of one point fifty-eight (1.58) workdays for each month of employment, up to a maximum of nineteen (19) workdays per year, which shall be accumulated without limitation.

Section 2. Regular workers shall be entitled to sick leave with full pay when, due to sickness or an accident (excluding work-related accidents), they are unable to perform their duties or when an employee's relative contracts a contagious disease that forces the employee to be quarantined or when, because of his/her contact with diseases recognized by the medical profession as highly contagious, it is determined that his/her presence in the workplace may be detrimental to the health of other employees or other persons. In these cases, the employee must submit a medical certificate along with the leave request.

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According to the guidelines of the Department of Health, the existence of a person with measles, chickenpox, or whooping cough or other current communicable disease in a house does not mean that their relatives living under the same roof must keep quarantine. The diseases that require quarantine are: cerebrospinal meningitis, typhoid, hepatitis A, B, and C, tuberculosis, and any other certified by the Department of Health. In cases of typhoid, only covers employees who are contacts and who work in the commercial handling of food.

Section 3. Advanced Sick Leave

- A. In the case of illnesses that are prolonged for four (4) days or more and when the exigencies of the situation so require, the regular worker shall be advanced sick leave for up to forty-five (45) working days, when he/she has exhausted the accumulated sick leave. The total time of the sick leave so advanced will be charged against subsequent accumulation of sick leave. In the cases above, no annual vacation leave will be charged until the sick leave has been exhausted.
- B. In cases of extraordinary prolonged illnesses duly proven by the doctor of the Authority, in which a regular worker who has one (1) year or more of service has exhausted his/her sick leave, advanced sick leave, and accumulated annual vacation leave, the Authority shall grant to such regular worker an extraordinary sick leave with basic pay up to a maximum of sixty (60) workdays. The sick leave so advanced shall not be charged against any accumulation of leave.
- C. When a regular employee is in the process of being retired due to physical or mental incapacity, the Authority shall grant him/her an extraordinary sick leave with basic pay until the effectiveness of his retirement, under the conditions stipulated in Item (b) of this Article.

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Section 4. Sick Leave for Medical and Dental Examination and Treatment

In order to make it easier for regular employees to go to the doctor, optometrist, or dentist in a timely manner for medical examination or treatment, sick leave shall be granted to cover absences from work caused by the need to visit such doctors and thereby reduce to a minimum the possibilities or prolongation of a disease.

This provision will contribute to the maintenance of the good health and well-being of employees and thus to their regular attendance at work and to a more efficient job performance, which will benefit both the employee and the Authority. The sick leave for these tasks must be requested as early as possible and, upon the return of the employee, he/she must accompany his/her request with a certificate from the doctor, optometrist, or dentist indicating the time, date, and place of the visit, as well as the diagnosis or treatment given.

Section 5. Sick leave is established in the strict benefit of the regular worker when, due to personal illness, he/she has to remain absent from his work. When absence due to illness extends for a period of more than three (3) days, the Authority reserves the right to require the necessary evidence as proof of the illness.

Section 6. Any worker who misleadingly presents illness to justify his/her absence from work shall be subject to disciplinary sanction to the extent that his/her absence or recurrence of such faults determines.

Section 7. The sick leave is not established and should not be used for the purpose of prolonging the vacation leave or using it as such.

Section 8. The Authority will liquidate the balance of the sick leave accumulated in cases of death or retirement of the regular employee.

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## ARTICLE XVI - SICK LEAVE FOR TEMPORARY EMPLOYEES

Section 1. During the term of this agreement, the Authority shall grant temporary workers with six (6) months or more of service sick leave at the rate of two point zero nineteen (2.019) hours for each week of not less than twenty-two and a half (22½) regular hours of work up to a maximum of fourteen (14) days per year considering what is indicated in Section 4 of this Article.

Section 2. The supervisor of the section where temporary workers are employed will keep a record of their sick leave accruals. When the worker terminates his employment in that section, the supervisor will give him/her a record of his accumulated sick leave and will retain a copy for his/her records; the worker in turn must deliver the same to the new supervisor in case he/she is reemployed.

Section 3. Sick leave is established for the strict benefit of the temporary worker when, due to personal illness, he/she must remain absent from work. When the absence is due to illness and extends for a period of two (2) or more days, the Authority reserves the right to demand the necessary evidence as proof of absence.

Section 4. The balance of sick leave accumulated by the temporary worker will be canceled when he/she finishes his/her services in the Authority, provided that such unemployment exceeds ninety (90) calendar days.

Section 5. The sick leave accumulated by the temporary worker will be transferred to his sick leave balance when he becomes a probationary employee, subject to the provisions of Section 4 of this Article.

Notwithstanding the foregoing, the temporary worker may, at his/her discretion, opt for the liquidation in cash of the sick leave that he/she had accumulated at the time of being appointed as a regular or special regular employee.

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## ARTICLE XIX - WORK-RELATED ACCIDENT LEAVE

Section 1. In cases in which a regular worker needs to be absent from work due to a work-related accident and on the advice of the doctor of the State Insurance Fund, the Authority shall pay the worker for the time he/she is absent since the work-related accident his/her full salary for regular working hours up to a maximum of one hundred four (104) weeks, and, in case he/she needs to be absent from his/her job on the advice of the State Insurance Fund doctor as a result of that accident for more than one hundred four (104) weeks, the Authority shall pay the worker eighty percent (80%) of his/her salary for the regular working hours up to a maximum of fifty-two (52) additional weeks, but discounting the amount of weekly compensation that the worker may receive from the State Insurance Fund during the period of disability comprised within such one hundred four (104) or one hundred fifty-six (156) weeks, as the case may be.

Section 2. The regular worker will receive sick leave and advanced sick leave, if he/she has the right, when he/she has exhausted his/her Work-Related Accident Leave.

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Section 3. Any worker who violates disciplinary rules 33 and 34 shall be subject to the provisions of Article XLI, Disciplinary Procedure, of this Agreement.

#### ARTICLE XX - LEAVE FOR FAMILY FUNERALS

Section 1. In the event of the death of the mother, father, spouse, or children of a worker, he/she shall be granted a leave with pay and no charge to his/her accumulated vacation time during the period indicated below starting the day of the death or the funeral day.

- A. Regular Workers - The period shall be three (3) consecutive days. The worker may, at his/her option and after notification to his/her supervisor, postpone the use of up to two (2) of these days, which must be used within thirty (30) calendar days following the death of the relative
- B. Temporary Workers - The period shall be two (2) consecutive days. The worker may, at his/her option and after notification to his/her supervisor, postpone the use of one (1) of these days, which shall be used within thirty (30) calendar days following the death of the relative.

Section 2. In cases of death of siblings or grandparents, the worker will be granted a leave with pay and no charge to his/her accumulated vacation time on the business day on which the funeral takes place. This benefit will apply to regular and temporary employees.

#### ARTICLE XXI - LEAVE FOR EMERGENCY WORK AFTER MIDNIGHT FOR REGULAR AND TEMPORARY EMPLOYEES

Section 1. This is a special leave that will be granted to regular and temporary employees who have been required to perform emergency work for hours outside their regular schedule between 12:00 midnight and 6:00 am or between 12:00 midnight and 7:00 am when such employees

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have begun work on or before 4:00 am, even if such emergency work had been scheduled in advance. This leave has the purpose of providing a rest period during their regular hours immediately following the emergency work, it being understood that, when the emergency work was performed in the early hours immediately before the working hours of the first day of work, the rest period will be granted on that day.

Section 2. The leave hours granted to regular and temporary workers shall be equal to one and a half times the hours worked during the after-midnight emergency and shall not exceed the maximum of seven and a half (7½) regular hours of their working day, and these will not be charged against any of their accumulated leaves, nor will they be deducted from the time worked during the emergency.

Section 3. This special type of leave will only cover emergency work during the after-midnight period and will not apply to work included in a regular work schedule.

Section 4. In the event that the emergency work is extended to the hours of his/her regular working day, the regular or temporary worker will be paid the regular hours of his working day that he/she was supposed to rest according to this special leave at a rate double his/her regular pay rate, including basic pay or granted pay and per diem allowances as they are established, when they apply.

Section 5. In case the regular or temporary employee is granted part of the rest hours that he was entitled to enjoy, the remainder of those hours of rest that he is required to work will be paid at double the regular pay rate, including basic pay or granted pay and the per diem allowances as they are established, when they apply.

#### ARTICLE XXII - LEAVE FOR WORK DURING TWENTY-FOUR (24) CONSECUTIVE HOURS IN ROTATING SHIFTS

When a rotating shift worker works twenty-four (24) consecutive hours, he/she shall be granted a leave with pay for his/her next regular working day if, from the end of such twenty-four (24) hours and until the beginning of his/her next regular day,

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sixteen and a half (16½) hours of rest have not elapsed. In the event that the worker is required to work on his/her next regular working day without having completed sixteen and half (16½) hours of rest, that worker will receive pay at double his/her regular pay rate, including basic pay.

ARTICLE XXIII - HOLIDAYS GRANTED WITH PAY  
TO REGULAR AND TEMPORARY EMPLOYEES

Section 1. Regular and temporary workers will receive full pay for all regular work hours and will enjoy free time with pay on the following holidays:

<u>DAY</u>	<u>COMMEMORATION</u>
January 1	New Year's Day
January 6	Three Wise Men Day
2nd Monday in January	Eugenio María de Hostos Day
3rd Monday in January	Martin Luther King Day
3rd Monday in February	George Washington Day
March 22	Emancipation Day
Movable	Good Friday
3rd Monday in April	José de Diego Day
Last Monday in May	Memorial Day
July 4	US Independence Day
3rd Monday in July	Luis Muñoz Rivera Day
July 25	Commonwealth of Puerto Rico Constitution Day
July 27	José Celso Barbosa Day
1st Monday of September	Labor Day
October 12	Columbus Day
Movable	Election Day
November 11	Veterans Day
November 19	Discovery of Puerto Rico Day
4th Thursday in November	Thanksgiving Day
<b>December 24</b>	<b>Starting at Noon – Christmas Eve</b>
December 25	Christmas Day

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Section 2. Other days will also be considered holidays and shall be included in the above list if they are proclaimed public holidays to be observed in Puerto Rico by the Governor of Puerto Rico or the President of the United States, or by law.

Section 3. When a holiday that is granted as free time with pay occurs on Sunday, it will be considered a holiday the following Monday, except those employed with fixed work schedules from Sunday to Thursday, in which case this holiday will be granted on Sunday. When said Sunday is the fifth day in the regular work schedule of a regular or temporary worker, it will be considered a holiday instead of Monday and will only be paid as a holiday on that Sunday.

Section 4. Those employed with fixed work schedules from Tuesday to Saturday or from Wednesday to Sunday will enjoy those days that, by provision of Act No. 121 of 24 December 1991, have been transferred to be held on Monday, but on the first day of their workweek immediately following that Monday. The days in question are as follows:

<u>DAY</u>	<u>COMMEMORATION</u>
2nd Monday in January	Eugenio María de Hostos Day
3rd Monday in January	Martin Luther King Day
3rd Monday in February	George Washington Day
3rd Monday in April	José de Diego Day
Last Monday in May	Memorial Day
3rd Monday in July	Luis Muñoz Rivera Day
1st Monday in September	Labor Day

Section 5. Workers with shift schedules are required to work those holidays that fall within their work schedule to guarantee continuous electrical service for the people of Puerto Rico.

When this occurs, the worker will be compensated as established in Section 1, Item C-1 of Article XXX, Extraordinary Compensation.

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Those who are absent on a holiday within their work schedule and comply with the notice provided in Article XLIII, Section 4(a) will have their absence reflected on the leave with the symbol "H" (Holiday). Employees who do not comply with the aforementioned notification will have their absence shown as vacation or illness leave, as appropriate.

ARTICLE XXIV - HOLIDAYS GRANTED WITH PAY  
TO EMERGENCY WORKERS

Section 1. Emergency workers will receive pay at their regular pay rate for all regular working hours and will enjoy free time with pay on the following holidays:

<u>DAY</u>	<u>COMMEMORATION</u>
January 1	New Year's Day
January 6	Three Wise Men Day
3rd Monday in January	Martin Luther King Day
March 22	Emancipation Day
Movable	Good Friday
July 4	US Independence Day
July 25	Commonwealth of Puerto Rico Constitution Day
1st Monday in September	Labor Day
Movable	Election Day
November 11	Veterans Day
November 19	Discovery of Puerto Rico Day
4th Thursday in November	Thanksgiving Day
<b>December 24</b>	<b>Starting at Noon – Christmas Eve</b>
December 25	Christmas Day

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Section 2. In order to be entitled to the enjoyment of any of these holidays granted with pay, the worker must have worked during the previous workday and the workday following the holiday, except in those cases in which the worker has been absent due to a work-related accident .

Section 3. Hours worked during these holidays granted with pay will be compensated at double the regular pay rate, including the granted regular pay. The hours granted free with pay will be considered as worked time for the purpose of computing worked hours in excess of thirty-seven and a half (37½) hours in the week.

Section 4. When a holiday that is granted as free time with pay occurs on Sunday, it will be considered a holiday the following Monday. When said Sunday is the fifth day in the regular work schedule of an emergency worker, it will be considered a holiday instead of Monday and will only be paid as a holiday on that Sunday.

ARTICLE XXV - FREE TIME WITH PAYMENT GRANTED BY THE AUTHORITY  
IN ACCORDANCE WITH ADMINISTRATIVE PROVISIONS BY  
THE GOVERNOR OF PUERTO RICO

Section 1. Every worker whose services the Authority deems as not necessary to maintain without impairment the electricity and irrigation services will enjoy free time with simple pay during those hours within their workday that the Authority grants as off time in accordance with administrative provisions by the Governor of Puerto Rico, as provided in all Sections of this Article.

Section 2. When a free afternoon is granted, it will be understood that the afternoon covers the period between 12:00 noon and 6:00 p.m.

Section 3. On those free afternoons granted, workers whose regular workday is fully understood between 12:00 noon and 12:00 midnight will enjoy free time with pay only during the last half of their working hours, and those workers whose working hours end after noon will enjoy free time with

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pay only during those hours of their day from 12 noon to the end of their working hours that day.

Section 4. When part of an afternoon is granted as free time, it shall be understood that the hours granted shall be fixed from the time indicated by the administrative disposition of the Governor and shall end at 6:00 p.m. For those workers who finish their work before 6:00 p.m., the hours granted are those that fall within their working hours from the time indicated by that provision until the end of their working hours. For those workers who finish their work after 6:00 p.m. and at or before 12:00 p.m., the hours to be granted will be equal to the number of hours between the time indicated by such provision and 6:00 p.m., and will be granted in the latter part of the corresponding working hours.

Section 5. When a free morning is granted, it will be understood that the morning covers the period between 6:00 am and 12:00 noon. When part of a morning is granted as free time, the start time will be that one established by the administrative disposition of the Governor and the end of the period will be noon.

Section 6. In none of the cases covered by the previous sections of this Article, will the free hours exceed half of the working hours.

Section 7. When a free day is granted, the day will be understood to cover the period of twenty-four (24) hours of the natural day from 12:00 midnight to the following 12:00 midnight. The granting of a day off shall mean that any work shift of eight (8) hours or part thereof comprised within the twenty-four (24) hour period of the natural day shall be deemed to be granted free.

Section 8. When workers are required to work during the hours they are entitled to enjoy free with pay as provided in the previous Sections of this Article, they will receive extraordinary compensation only for the time worked during those hours in accordance with the provisions of the Article on extraordinary compensation.

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## ARTICLE XXVI - HEALTH PLAN

Section 1. The Authority agrees to pay directly to the organization providing the medical services the monthly payment that be in force during the term of this agreement for the family group plan for regular workers, special regular workers, or regular workers with special appointments that qualify and are affiliated to the plan offered by the service organization or any other organization that is selected to offer the benefits included in the plan of medical services known as Plan A and B, as described in the contract between the Authority and Cruz Azul signed on 26 August 1996, with the modifications agreed between the Authority and the Union during the negotiation of this collective agreement. As for the pharmacy coverage, it will be granted according to the current contract.

Eligibility, terms and conditions, the extent of each coverage type, co-payments and deductibles may only be altered by agreement of the parties.

The Authority will maintain a computerized eligibility file of UTIER member subscribers and their eligible family members, including the separate identification of students over age 19 who are eligible students.

A copy of such eligibility file, in magnetic media or in the medium made available by the Authority, at the request of the Union, shall be delivered to the Union every six months during the duration of this collective agreement.

Any worker who, at the time of the signing of this agreement, was enrolled in Plan B may request, at his/her discretion at any time, to change to Plan A. Provided that, when the employee opts for Plan A, that decision will be irreversible. Workers who obtain a regular or regular special appointment after the signing of this agreement will enjoy Plan A.

The Authority shall provide the necessary guidance on Plan A to workers and their families within a period of sixty (60) days after the signature of this Agreement.

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In those cases in which workers are covered by Plan B and/or who test positive for the use of controlled substances, the Authority shall provide them with the necessary services for their rehabilitation, according to the provisions of the procedure for the Detection of Controlled Substances agreed by the parties.

Section 2. Such family group plan is the one that includes the wife and children of the regular worker, the regular worker with special appointment, or the special regular employee, as determined by the regulations of the organization that provides the services on the date of signing this agreement.

For regular workers, regular workers with special appointments, or special regular employees who do not qualify for the family group plan, the Authority shall pay only the proportion of the monthly payment for hospitalization, medical-surgical services, dispensary or medical directory services, whichever is the case, medicines, and dental care corresponding to such workers, worker and husband or wife, or worker and children under nineteen (19) years of age, as the case may be.

Provided that children over nineteen (19) years of age and up to the age of twenty-three (23) years who are dependent on the head of the family and who study at a recognized university, technological colleges at the university or vocational level may continue to be affiliated to this type of contract as long as a request is submitted for such purposes, without this entailing an additional payment for their inclusion in said plan. In addition, the disabled children will be entitled to receive the services of the plan until the age of 45 years.

The Authority also agrees to deduct from the salary of regular workers, regular workers with special appointments, or special regular employees to refer to the organization providing the services or any other organization that selects the Authority, with prior written authorization, the monthly payment that these workers have to satisfy to cover other people not included in the family plan.

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Section 3. The Authority agrees to pay directly to the organization providing the services the monthly payment that is in force during the term of this agreement for the individual plan of hospitalization of three hundred sixty-five (365) days, medical-surgical services, and dispensary services for those temporary workers who have accumulated six (6) months of service in the Authority. If the temporary worker requests to be affiliated to the benefits of the spouse plan or the family group plan, he/she will have the right to have the Authority provide the equivalent of the individual plan monthly fee and the worker will pay the difference until he/she has completed the monthly payment of the plan to which he/she is requesting affiliation.

Section 4. The benefits contained in this Medical Plan shall be subject to such regulations and conditions as may be agreed with the organization providing the services or with any other organization selected by the Authority, but such regulations and conditions shall not be lower than those currently in force with the organization that provides the services nor the terms, conditions, and benefits negotiated in this agreement. The network of providers will be substantially similar to the current one in case of change.

Section 5. **Except in cases where the physician prescribes brand medications (whose patent by the manufacturer has expired or not), the pharmacy will supply bioequivalent drugs available in its inventory. If the bioequivalent medications are not available, it will dispense those prescribed by the physician. In Plan "A" and Plan "B", bioequivalent drugs will not involve the payment of deductibles. In Plan "B", brand prescription drugs do not pay deductibles. The drug substitution mentioned above refers to bioequivalent drugs exclusively and will not apply to generic drugs.**

Section 6. **In cases in which the health condition is an acute one, such as colds, minor infections, vomiting, etc., and treatment is prescribed for thirty (30) days, the pharmacy may dispense prescribed medications in two fifteen-day (15-day) periods.**

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The division in the dispatch of such drugs in periods less than thirty (30) days will not apply in those cases in which the prescribed treatment is less than such term. For the first fifteen (15) days, no deductible will be paid. The deductible will be paid when the drugs are collected for the remaining fifteen (15) days.

**Section 7.** The visual health Coverage in Plan A and B will cover a pair of glasses or prescription contact lenses every eighteen (18) months up to one hundred fifty dollars (\$150.00).

**Section 8.** Coverage by medical plan A and B add visual correction with laser or lens implant. In these cases, the Medical Plan will pay or reimburse 25% of the cost of this benefit.

**Section 9.** The Electric Power Authority and the Union of Workers in the Electrical and Irrigation Industry, UTIER (acronym in Spanish), since 12 November 1999, agreed to add the following benefits to the Medical Plan, currently enjoyed by workers subscribed to Plan A and B:

1. Chiropractic Medical Services
2. Podiatric Medical Services

As part of that agreement, the prescription drug deductible was increased by one dollar (\$1.00) for the employees included in Plan A. Similarly, an additional dollar (\$1.00) was added to the deductible for physician visits to employees included in Plan A and B.

These increases in deductibles (\$1.00) are already incorporated as part of the Stipulations signed by the parties on 12 November 1999 and 10 October 2001; therefore, during the term of this Agreement, no additional increases will be made to deductibles for the Medical Plan.

**Section 10.** Except as provided in the previous sections, the Collective Agreement, Article XXVI - Medical Plan, will remain written as it appears in the Collective Agreement dated 14 November 2005.

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ARTICLE XXVII - DISABILITY, RETIREMENT, OR DEATH BENEFITS

**Section 1.** The Authority shall contribute to a special fund in the Employee Retirement System of the Electric Power Authority during the term of this agreement in a necessary amount actuarially calculated to pay a benefit to regular workers, regular employees with special appointments, or special regular employees, whether or not they belong to any retirement scheme, that ceases in the active service at the Authority for one of the following reasons: retirement due to physical or mental disability, retirement by age, or for years of service and age or if they take up an actuarial pension; cessation of service due to having reached the retirement age or death of the regular worker.

The benefit will be as follows:

- |    |   |             |
|----|---|-------------|
| a) | Retirement, disability or death - General   | \$ 7,000.00 |
| b) | Death while performing job functions - General  | \$20,000.00 |
| c) | Death while performing job functions as Powerline Technician or those workers at Power Generation Plants included in Article XXXIV – Special Annual Compensation for Risk | \$50,000.00 |
| d) | Physical disability resulting from performing job functions confirmed by the Authority's physician - General  | \$ 8,000.00 |

Note: In cases of death of a worker during the performance of his/her duties, his/her children and widow (until he/she remarries) will enjoy Plan "A" medical services under the terms and conditions thereof. This benefit will be subject to the submission of documents and evidence required by the Authority.

The physician of the Authority in the cases of subsection (d) will verify the existence of the disability resulting from the performance of his/her functions for the sole purpose of these items.

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Under no circumstances, will more than one of these benefits be paid at the same time.

These benefits will be in addition to any other benefits that may correspond to such workers and will be subject to the conditions stipulated below.

Every regular worker, regular worker with special appointment, or special regular employees shall have ceased to be active in the Authority and have been retired due to physical or mental disability from the Retirement System to which he/she belongs or, not belonging to any system of retirement, shall have established his/her physical or mental disability in accordance with the regulations of the Retirement System of the Employees of the Electric Power Authority; shall have retired due to age, or retired due to years of service and age, or shall have received an actuarial pension from the retirement system to which he/she belongs, or, not belonging to any system of retirement, shall have ceased due to reaching retirement age, or to having years of service and age in accordance with the regulations of the Employee Retirement System of the Electric Power Authority; or shall have died, in which case the beneficiaries of the worker must present the death certificate of the worker, as required by the regulations of the retirement system to which he/she belongs, or, not belonging to any retirement system, the beneficiaries shall have complied with the regulations of the Employee Retirement System of the Electric Power Authority to establish satisfactory proof of his/her death.

Once the payment has been made at any time to the regular worker, regular worker with special appointment, or special regular employee, the benefit that will correspond to him/her when he/she ceased in the active service of the Authority by reason of one of the aforementioned causes, whether due to physical or mental disability; retirement by age or by years of service and age, or by actuarial retirement, cessation of service due to having reached retirement age, or having years of service and age; or death, the obligation assumed by the Authority in this Article shall be fulfilled. If said worker returns to service at the Authority, he/she will not be entitled to any of the benefits

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provided in this Article for the amount that would have been liquidated, that is, he/she will only be entitled to the difference due to increase, if any.

Section 2. In cases of death of regular workers, regular workers with special appointments, and special regular employees, the Authority shall contribute one thousand two hundred fifty dollars (\$1,250.00) for funeral expenses. This amount will be given to the person specially designated by the employee, upon presentation of a document proving the death or the death certificate.

Section 3. In the event of the death of a temporary worker during the performance of his/her duties, the Authority shall pay its beneficiaries the sum of five thousand dollars (\$5,000.00).

Section 4. In the event of the death of a regular or special regular worker in the performance of functions in the field during the period of reconstruction of the electrical system after a natural disaster, the death payment contained in Section 1, item C, shall apply regardless of his/her classification.

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## ARTICLE XXIX - SALARIES

Section 1. The Authority shall increase the types of basic hourly pay and the hourly minimum wage of the salary scales applicable to the workers covered by this collective bargaining agreement on the dates and amounts mentioned below:

Salary increases for a **four-year (4-year)** collective bargaining agreement:

<b>24 August 2008</b>	<b>4% per month</b>	<b>\$100.00 minimum monthly increase</b>
<b>23 August 2009</b>	<b>4% per month</b>	<b>\$100.00 minimum monthly increase</b>
<b>22 August 2010</b>	<b>4% per month</b>	<b>\$100.00 minimum monthly increase</b>
<b>21 August 2011</b>	<b>\$125.00 per month</b>	

- a. The Authority shall grant a retroactive payment of fifteen (15) months based on the amount of \$100.00 per month applicable to the salary structure for all active employees during that period, including those who are on any leave as of the date of the signature of the Agreement. In the case of those employees recruited during the past fifteen (15) months, they will be granted retroactive payment in proportion to the months worked during that period.
- b. In the case of retired employees during the past fifteen (15) months, an overall payment of one hundred dollars (\$100.00) per month will be granted in proportion to the months worked.
- c. The retroactive salary increases here arranged for the active employees will apply to the basic structure of the salary and will not impact any other aspect related to the remuneration. However, the

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**Authority will make the corresponding contributions to the Retirement System for that period.**

- d. The retroactive payment to active and retired workers will be paid within forty-five (45) days following the signing of the collective agreement.**

Section 2. Salary scales will contain three (3) levels of salary for recruitment, one definitive salary, and seven (7) levels for length of service. These levels will be granted under the following terms:

Salary Levels	Will Be Granted
R-1 to R-3	Temporary and special regular employees will be recruited at the R-1 level and will advance one level for each year of service at the Authority.
Definitive	When a regular appointment is granted or a year after the special regular appointment.
Service Time Levels	Every five (5) years of service starting from the granting of the regular or special regular appointment or the appointment to the last level.

Those workers that the Authority employs after the effective date of this collective agreement will be governed by the recruitment scales.

Section 3. Non-regular employees who are working as of the effective date of the new salary scale will be placed in the definitive salary level and will begin to accumulate time for salary levels from the date on which a special regular or regular appointment is offered.

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PUERTO RICO ELECTRIC POWER AUTHORITY  
STRUCTURE OF ANNUAL WAGES  
WORKERS COVERED BY COLLECTIVE BARGAINING AGREEMENT UTIER  
EFFECTIVE MAY 20, 2007 (\$100.00 Monthly)

  
Juan E. Segarra, USCCI #06-067/translator

Approved

Occupational Group	at R-1	R-2	R-3	Definitiva	5	10	15	20	25	30	Director of Human Resources	
											Wages	
2	12.70	13.37	14.03	15.38	15.51	15.94	15.77	15.90	16.03	16.16	per hour	16.30
	552.50	1,002.75	1,052.25	1,632.50	1,632.50	1,733.00	1,827.75	1,827.75	1,922.00	1,922.00	every fourteen days	31,755.00
3	24,765.00	25,071.50	27,358.50	29,690.00	30,444.50	30,498.00	30,751.50	30,005.00	31,258.50	31,502.00	annual	2,548.75
	2,053.75	2,172.63	2,279.88	2,493.25	2,520.38	2,544.50	2,562.63	2,582.75	2,604.88	2,626.00	monthly equiv.	216.63
4	12.80	13.47	14.15	15.63	15.63	15.76	15.89	16.02	16.15	16.28	per hour	16.41
	960.00	1,000.25	1,051.25	1,627.50	1,627.50	1,722.50	1,817.50	1,817.50	1,912.50	1,912.50	every fourteen days	31,995.50
5	24,980.00	25,286.50	27,573.50	30,478.50	30,732.00	30,786.00	31,039.50	30,293.00	31,546.00	31,790.00	annual	2,686.63
	2,060.00	2,188.88	2,293.38	2,518.75	2,549.88	2,566.00	2,592.13	2,613.25	2,639.38	2,660.50	monthly equiv.	222.63
6	12.91	13.59	14.27	15.63	15.77	15.91	16.05	16.19	16.33	16.47	per hour	16.61
	988.25	1,019.25	1,070.25	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
7	25,074.50	25,500.50	27,826.50	30,478.50	30,732.00	30,786.00	31,039.50	30,293.00	31,546.00	31,790.00	annual	2,686.63
	2,067.88	2,208.38	2,308.88	2,533.88	2,562.63	2,585.38	2,608.13	2,630.88	2,653.63	2,676.38	monthly equiv.	222.63
8	13.03	13.72	14.40	15.77	15.91	16.05	16.19	16.33	16.47	16.61	per hour	16.75
	977.25	1,023.00	1,080.00	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
9	25,408.50	26,754.00	28,080.00	30,751.50	31,024.50	31,297.50	31,570.50	30,843.50	32,116.50	32,389.50	annual	2,686.63
	2,173.38	2,275.50	2,340.00	2,562.63	2,595.38	2,618.13	2,640.88	2,663.63	2,686.38	2,709.13	monthly equiv.	222.63
10	13.15	13.85	14.54	15.92	16.07	16.22	16.37	16.52	16.67	16.82	per hour	16.97
	988.25	1,038.75	1,090.50	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
11	25,842.50	27,007.50	28,353.00	31,044.00	31,316.50	31,589.00	31,861.50	31,134.00	32,406.50	32,679.00	annual	2,686.63
	2,168.88	2,250.63	2,332.38	2,562.63	2,595.38	2,618.13	2,640.88	2,663.63	2,686.38	2,709.13	monthly equiv.	222.63
12	13.27	13.98	14.69	16.07	16.23	16.39	16.55	16.71	16.87	17.03	per hour	17.19
	995.25	1,048.50	1,101.00	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
13	26,188.50	27,592.50	28,977.00	31,707.00	32,038.50	32,370.00	32,701.50	32,032.00	33,363.50	33,695.00	annual	2,686.63
	2,182.38	2,295.38	2,444.75	2,686.63	2,720.38	2,754.13	2,787.88	2,821.63	2,855.38	2,889.13	monthly equiv.	222.63
14	13.50	14.33	15.06	16.47	16.66	16.84	17.02	17.20	17.38	17.56	per hour	17.74
	1,020.00	1,074.75	1,129.50	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
15	26,570.00	27,943.50	29,387.00	32,116.50	32,447.50	32,778.50	33,109.50	32,440.00	33,771.50	34,102.50	annual	2,686.63
	2,210.00	2,328.63	2,447.25	2,686.63	2,720.38	2,754.13	2,787.88	2,821.63	2,855.38	2,889.13	monthly equiv.	222.63
16	13.77	14.51	15.26	16.69	16.87	17.06	17.25	17.44	17.63	17.82	per hour	18.01
	1,032.75	1,088.25	1,144.50	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
17	26,855.50	28,294.50	29,757.00	32,486.50	32,817.50	33,148.50	33,479.50	32,810.00	34,141.50	34,472.50	annual	2,686.63
	2,237.63	2,357.88	2,478.13	2,686.63	2,720.38	2,754.13	2,787.88	2,821.63	2,855.38	2,889.13	monthly equiv.	222.63
18	13.95	14.71	15.46	16.90	17.09	17.29	17.49	17.69	17.89	18.09	per hour	18.29
	1,046.25	1,103.25	1,160.50	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
19	27,092.50	28,686.50	30,347.00	33,055.00	33,386.50	33,717.50	34,048.50	33,379.00	34,710.50	35,041.50	annual	2,686.63
	2,266.88	2,390.38	2,512.25	2,686.63	2,720.38	2,754.13	2,787.88	2,821.63	2,855.38	2,889.13	monthly equiv.	222.63
20	14.13	14.90	15.67	17.12	17.33	17.54	17.75	17.96	18.17	18.38	per hour	18.59
	1,059.75	1,117.50	1,175.25	1,627.75	1,627.75	1,722.75	1,817.75	1,817.75	1,912.75	1,912.75	every fourteen days	32,385.50
21	27,553.50	29,055.00	30,566.50	33,384.00	33,715.50	34,046.50	34,377.50	33,708.00	35,039.50	35,370.50	annual	2,686.63
	2,295.13	2,421.25	2,546.38	2,686.63	2,720.38	2,754.13	2,787.88	2,821.63	2,855.38	2,889.13	monthly equiv.	222.63




I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

**AUTORIDAD DE ENERGIA ELECTRICA DE PUERTO RICO**  
**ESTRUCTURA DE SALARIOS ANUALES**  
**TRABAJADORES CUBIERTOS POR EL CONVENIO COLECTIVO UTER**  
**EFFECTIVA AL 24 DE AGOSTO DE 2008 ( 4% (pero no menos de \$300.00 Mensuales)**

pel

I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

[This table is effective August 23, 2009. (4% but not less than \$100.00 a month)  
with the same order of hourly, fourteen-day, annual, and monthly equivalent numbers]

AUTORIDAD DE ENERGIA ELECTRICA DE PUERTO RICO ESTRUCTURA DE SALARIOS ANUALES TRABAJADORES CUBIERTOS POR EL CONVENIO COLECTIVO OTTER EFFECTIVA AL 23 DE AGOSTO DE 2008 ( 4% pero no menos de \$100.00 Mensuales)												
Aprobado:  Anibal Hernández Ramos Director de Recursos Humanos												
Grupo Ocupacional	R-1	R-2	R-3	Definitivo	5	10	15	20	25	30	35	Sueldo
1	12.70	13.37	14.03	16.54	16.78	16.92	17.06	17.20	17.34	17.48	17.63	por hora
	952.50	1002.75	1052.25	1248.00	1258.50	1269.00	1279.50	1290.00	1300.50	1312.00	1322.25	catorenal
	24,765.00	26,071.50	27,358.50	32,448.00	32,721.00	32,994.00	33,267.00	33,540.00	33,813.00	34,086.00	34,378.50	anual
	2,063.75	2,172.63	2,279.88	2,704.00	2,726.75	2,749.50	2,772.25	2,795.00	2,817.75	2,840.50	2,864.88	equiv. mensual
2	12.80	13.47	14.15	16.75	16.91	17.05	17.19	17.33	17.47	17.61	17.75	por hora
	960.00	1000.25	1050.25	1257.00	1268.25	1278.75	1289.25	1299.75	1310.25	1320.75	1331.25	catorenal
	24,960.00	26,266.50	27,592.50	32,682.00	32,974.50	33,247.50	33,520.50	33,793.50	34,066.50	34,339.50	34,612.50	anual
	2,080.00	2,188.88	2,299.38	2,723.50	2,747.88	2,770.63	2,793.38	2,816.13	2,838.88	2,861.63	2,884.38	equiv. mensual
3	12.91	13.59	14.27	16.91	17.06	17.21	17.36	17.50	17.66	17.82	17.96	por hora
	968.25	1018.25	1070.25	1268.25	1279.50	1290.75	1302.00	1313.25	1324.50	1335.75	1347.00	catorenal
	25,174.50	26,500.50	27,826.50	32,974.50	33,257.00	33,555.50	33,852.00	34,144.50	34,437.00	34,749.00	35,072.00	anual
	2,097.88	2,206.38	2,316.88	2,747.88	2,772.25	2,796.63	2,821.00	2,845.38	2,869.75	2,895.75	2,918.50	equiv. mensual
4	13.03	13.72	14.40	17.06	17.21	17.36	17.51	17.66	17.82	17.96	18.12	por hora
	977.25	1029.00	1080.00	1279.50	1290.75	1302.00	1313.25	1324.50	1335.75	1347.00	1359.00	catorenal
	25,408.50	26,754.00	28,080.00	32,927.00	33,555.50	33,852.00	34,144.50	34,437.00	34,749.00	35,072.00	35,394.00	anual
	2,117.38	2,229.50	2,340.00	2,772.25	2,796.63	2,821.00	2,845.38	2,869.75	2,895.75	2,918.50	2,944.50	equiv. mensual
5	13.15	13.85	14.54	17.22	17.38	17.54	17.70	17.87	18.03	18.19	18.24	por hora
	986.25	1038.75	1090.50	1291.50	1303.00	1315.00	1327.50	1340.25	1353.00	1365.75	1388.00	catorenal
	25,642.50	27,007.50	28,353.00	33,579.00	33,890.00	34,203.00	34,516.00	34,846.50	35,168.50	35,470.50	35,588.00	anual
	2,135.88	2,250.63	2,362.75	2,798.25	2,824.25	2,850.25	2,876.25	2,903.88	2,929.88	2,955.88	2,984.00	equiv. mensual
6	13.27	13.99	14.68	17.38	17.55	17.73	17.90	18.08	18.24	18.42	18.60	por hora
	995.25	1048.50	1101.00	1303.50	1315.00	1327.50	1340.25	1353.00	1365.75	1380.00	1395.00	catorenal
	25,876.50	27,261.00	28,626.00	33,891.00	34,242.00	34,595.00	34,950.00	35,256.00	35,588.00	35,919.00	36,270.00	anual
	2,158.38	2,271.75	2,385.50	2,824.25	2,853.50	2,881.00	2,908.75	2,938.00	2,964.00	2,993.25	3,022.50	equiv. mensual
7	13.43	14.15	14.86	17.59	17.77	17.95	18.14	18.32	18.50	18.69	18.88	por hora
	1007.25	1061.25	1114.50	1319.25	1332.75	1346.25	1360.50	1374.00	1387.50	1401.75	1416.00	catorenal
	26,088.50	27,592.50	28,977.00	34,300.50	34,651.50	35,002.50	35,374.00	35,724.00	36,075.00	36,445.50	36,816.00	anual
	2,182.38	2,295.38	2,404.75	2,858.38	2,887.63	2,916.88	2,947.75	2,977.00	3,006.25	3,037.13	3,068.00	equiv. mensual
8	13.60	14.33	15.06	17.87	18.02	18.21	18.41	18.61	18.80	18.99	19.19	por hora
	1020.00	1074.75	1129.50	1336.50	1351.50	1365.75	1380.75	1395.75	1410.75	1424.25	1439.25	catorenal
	26,520.00	27,943.50	29,357.00	34,744.00	35,095.00	35,508.50	35,893.50	36,288.50	36,680.00	37,030.50	37,420.50	anual
	2,210.00	2,326.63	2,447.25	2,895.75	2,928.25	2,959.13	2,991.63	3,024.13	3,055.00	3,085.88	3,118.38	equiv. mens.
9	13.77	14.51	15.25	18.04	18.24	18.45	18.66	18.87	19.07	19.27	19.48	por hora
	1032.75	1088.25	1144.50	1353.00	1368.00	1383.75	1399.50	1415.25	1431.00	1446.75	1462.50	catorenal
	26,851.50	28,294.50	29,757.00	35,178.00	35,568.00	35,977.50	36,376.50	36,786.50	37,186.50	37,576.50	37,986.00	anual
	2,237.63	2,357.88	2,479.75	2,931.50	2,964.00	2,998.13	3,032.25	3,066.38	3,098.88	3,131.38	3,165.50	equiv. mensual
10	13.95	14.71	15.46	18.28	18.49	18.71	18.93	19.15	19.36	19.57	19.79	por hora
	1046.25	1103.25	1159.50	1371.00	1386.75	1403.25	1419.75	1436.25	1452.00	1467.75	1484.25	catorenal
	27,202.50	28,684.50	30,147.00	35,646.00	36,055.50	36,484.50	36,913.50	37,342.50	37,762.00	38,181.50	38,590.50	anual
	2,266.88	2,390.38	2,512.25	2,970.50	3,004.63	3,040.38	3,076.13	3,111.88	3,146.00	3,180.13	3,215.88	equiv. mensual
11	14.13	14.90	15.67	18.51	18.74	18.97	19.20	19.43	19.66	19.88	20.10	por hora
	1059.75	1117.50	1175.25	1388.25	1405.50	1422.75	1440.00	1457.25	1474.50	1491.75	1507.50	catorenal
	27,553.50	29,055.00	30,556.50	36,094.50	36,543.00	36,991.50	37,440.00	37,888.50	38,337.00	38,785.50	39,195.00	anual
	2,296.13	2,421.25	2,546.38	3,007.88	3,045.25	3,082.63	3,120.00	3,157.38	3,194.75	3,230.50	3,266.75	equiv. mensual

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I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.



[This table is effective August 22, 2010. (4% but not less than \$100.00 a month)  
with the same order of hourly, fourteen-day, annual, and monthly equivalent numbers]

<p><b>Autoridad de Energía Eléctrica de Puerto Rico</b> ESTRUCTURA DE SALARIOS ANUALES TRABAJADORES COBERTOS POR EL CONVENIO COLECTIVO UTIER EFFECTIVA AL 22 DE AGOSTO DE 2010 (4% pero no menos de \$100.00 Mensuales)</p>											
<p><i>Antonia Hernández Ramos</i> Director de Recursos Humanos Aprobado:</p>											
Grupo Ocupacional	R-1	R-2	R-3	Definitivo	5	10	15	20	25	30	35
1	12.70 952.50 24,765.00 2,083.75	13.37 1,002.75 26,071.50 2,172.83	14.03 1,052.25 27,358.50 2,279.88	17.31 1,288.25 33,754.50 2,812.88	17.45 1,308.75 34,027.50 2,855.53	17.60 1,320.00 34,320.00 2,882.75	17.74 1,330.50 34,583.00 2,907.13	17.89 1,341.75 34,885.50 2,939.88	18.03 1,352.25 35,158.50 2,973.88	18.18 1,363.50 35,451.00 2,954.25	18.34 1,375.50 35,763.00 2,980.25
2	12.80 960.00 24,860.00 2,080.00	13.47 1,010.25 26,265.50 2,188.88	14.15 1,061.25 27,552.50 2,295.38	17.43 1,307.25 33,988.50 2,832.38	17.59 1,319.25 34,300.50 2,858.38	17.73 1,329.75 34,573.50 2,881.13	17.88 1,341.00 34,866.00 2,905.50	18.02 1,351.50 35,159.00 2,928.25	18.17 1,362.75 35,431.50 2,952.53	18.31 1,373.25 35,704.50 2,975.38	18.46 1,384.50 35,997.00 2,999.75
3	12.91 968.25 25,174.50 2,097.88	13.59 1,019.75 26,500.50 2,208.38	14.27 1,070.25 27,826.50 2,318.88	17.59 1,319.25 34,300.50 2,858.38	17.74 1,330.50 34,583.00 2,882.75	17.90 1,342.50 34,905.00 2,908.75	18.05 1,353.75 35,197.50 2,933.13	18.21 1,365.75 35,509.50 2,959.13	18.37 1,377.75 35,821.50 2,985.13	18.53 1,389.75 36,133.50 3,011.13	18.68 1,401.00 36,426.00 3,035.50
4	13.03 977.25 25,405.50 2,107.38	13.72 1,029.00 26,754.00 2,229.50	14.40 1,080.00 28,080.00 2,340.00	17.74 1,330.50 34,583.00 2,882.75	17.90 1,342.50 34,905.00 2,908.75	18.05 1,353.75 35,197.50 2,933.13	18.21 1,365.75 35,509.50 2,959.13	18.37 1,377.75 35,821.50 2,985.13	18.53 1,389.75 36,133.50 3,011.13	18.68 1,401.00 36,426.00 3,035.50	18.84 1,413.00 36,738.00 3,061.50
5	13.15 986.25 25,642.50 2,116.88	13.85 1,038.75 27,007.50 2,250.63	14.54 1,090.50 28,353.00 2,362.75	17.91 1,343.25 34,924.50 2,903.38	18.08 1,356.00 35,256.00 2,939.00	18.24 1,368.00 35,568.00 2,964.00	18.41 1,380.75 35,889.50 2,991.63	18.58 1,393.50 36,231.00 3,019.25	18.75 1,406.25 36,591.50 3,046.88	18.92 1,418.00 36,894.00 3,074.50	19.07 1,427.75 36,991.50 3,082.53
6	13.27 995.25 25,878.50 2,126.38	13.99 1,048.50 27,281.00 2,271.75	14.68 1,101.00 28,626.00 2,385.50	18.08 1,356.00 35,256.00 2,939.00	18.25 1,368.00 35,568.00 2,967.25	18.44 1,383.00 36,019.00 2,996.50	18.62 1,395.50 36,309.00 3,025.75	18.80 1,400.00 36,660.00 3,055.00	18.97 1,412.75 37,062.00 3,082.53	19.16 1,437.00 37,392.00 3,113.50	19.34 1,450.50 37,713.00 3,142.75
7	13.43 1,007.25 26,188.50 2,182.38	14.15 1,061.25 27,592.50 2,289.38	14.86 1,114.50 28,977.00 2,404.75	18.29 1,371.75 35,665.50 2,972.13	18.48 1,385.00 36,036.00 3,003.88	18.67 1,400.25 36,406.50 3,033.88	18.87 1,415.25 36,706.50 3,065.38	19.05 1,436.25 37,042.50 3,095.63	19.24 1,448.00 37,518.00 3,126.50	19.44 1,473.00 37,908.00 3,159.00	19.64 1,497.00 38,298.00 3,191.50
8	13.50 1,020.00 26,502.00 2,200.00	14.33 1,074.75 27,946.50 2,328.63	15.06 1,129.50 29,367.00 2,447.25	18.53 1,389.75 36,133.50 3,011.13	18.74 1,405.50 36,548.00 3,045.25	18.94 1,420.50 36,933.00 3,077.75	19.15 1,436.25 37,342.50 3,111.88	19.35 1,451.25 37,732.50 3,144.38	19.55 1,466.25 38,122.50 3,176.88	19.75 1,481.25 38,512.50 3,209.38	19.96 1,497.00 38,922.00 3,243.50
9	13.77 1,032.75 26,861.50 2,237.63	14.51 1,088.25 28,294.50 2,353.63	15.26 1,144.50 29,757.00 2,476.75	18.76 1,407.00 36,582.00 3,048.50	18.97 1,422.75 36,991.50 3,082.53	19.19 1,439.25 37,420.50 3,118.38	19.41 1,455.75 37,846.50 3,154.13	19.62 1,471.50 38,256.00 3,188.25	19.83 1,487.75 38,668.50 3,222.38	20.04 1,503.00 39,078.00 3,256.50	20.26 1,519.50 39,507.00 3,292.25
10	13.95 1,046.25 27,202.50 2,266.88	14.71 1,102.25 28,684.50 2,380.38	15.46 1,159.50 30,147.00 2,512.25	19.01 1,425.75 37,089.50 3,089.13	19.23 1,442.25 37,498.50 3,124.88	19.46 1,459.50 37,947.00 3,162.25	19.69 1,476.75 38,395.50 3,199.63	19.92 1,494.00 38,844.00 3,237.00	20.13 1,509.75 39,253.50 3,271.13	20.35 1,526.25 39,687.50 3,306.88	20.58 1,543.50 40,131.00 3,344.25
11	14.13 1,059.75 27,553.50 2,296.13	14.90 1,117.50 29,055.00 2,421.25	15.67 1,175.25 30,556.50 2,546.38	19.25 1,443.75 37,537.50 3,128.13	19.49 1,461.75 38,005.50 3,167.13	19.73 1,479.75 38,473.50 3,206.13	19.97 1,497.75 38,941.50 3,245.13	20.21 1,515.75 39,405.50 3,284.13	20.45 1,533.75 39,877.50 3,323.13	20.68 1,551.00 40,326.00 3,360.50	20.90 1,567.50 40,755.00 3,395.25


I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

[This table is effective August 21, 2011. (\$125.00 a month) with the same order of hourly, fourteen-day, annual, and monthly equivalent numbers]


AUTORIDAD DE ENERGIA ELECTRICA DE PUERTO RICO ESTRUTURA DE SALARIOS ANUALES TRABAJADORES SUJETOS POR EL CONVENIO COLECTIVO UTIER EFECTIVA AL 21 DE AGOSTO DE 2011 (\$125.00 Mensuales)													Aprobado:  Anibal Hernández Ramos Director de Recursos Humanos	
Grupo Ocupacional	R-1	R-2	R-3	Definitivo	5	10	15	20	25	30	35	Sueldo		
1	12.70	13.37	14.03	18.08	18.22	18.37	18.51	18.66	18.80	18.95	19.11	por hora		
	952.50	1002.75	1052.25	1355.00	1386.50	1377.75	1388.25	1399.50	1400.00	1421.25	1433.25	catorcenal		
	24,765.00	26,071.50	27,358.50	35,756.00	35,579.00	35,821.50	36,094.50	36,387.00	36,650.00	36,952.50	37,294.50	anual		
	2,063.75	2,172.63	2,279.88	2,938.00	2,960.75	2,985.13	3,007.88	3,032.25	3,055.00	3,079.38	3,105.38	equiv. mensual		
2	12.80	13.47	14.15	18.20	18.36	18.50	18.65	18.79	18.94	19.08	19.23	por hora		
	960.00	1,001.25	1,061.25	1,365.00	1,377.00	1,387.50	1,398.75	1,409.25	1,420.50	1,431.00	1,442.25	catorcenal		
	24,960.00	26,266.50	27,592.50	35,490.00	35,802.00	36,075.00	36,367.50	36,640.50	36,933.00	37,206.00	37,498.50	anual		
	2,080.00	2,188.88	2,299.38	2,957.50	2,983.50	3,006.25	3,030.63	3,053.38	3,077.75	3,101.50	3,124.88	equiv. mensual		
3	12.91	13.59	14.27	18.36	18.51	18.67	18.82	18.98	19.14	19.30	19.45	por hora		
	968.25	1,019.25	1,070.25	1,377.00	1,388.25	1,400.25	1,411.50	1,423.50	1,435.50	1,447.50	1,458.75	catorcenal		
	25,174.50	26,500.50	27,876.50	35,802.00	36,094.50	36,406.50	36,699.00	37,011.00	37,323.00	37,635.00	37,947.50	anual		
	2,097.88	2,208.38	2,318.88	2,983.50	3,007.88	3,033.88	3,058.25	3,084.25	3,109.25	3,136.25	3,160.63	equiv. mensual		
4	13.03	13.72	14.40	18.51	18.67	18.82	18.98	19.14	19.30	19.45	19.61	por hora		
	977.25	1,029.00	1,080.00	1,388.25	1,400.25	1,411.50	1,423.50	1,435.50	1,447.50	1,458.75	1,470.75	catorcenal		
	25,408.50	26,754.00	28,080.00	36,094.50	36,406.50	36,699.00	37,011.00	37,323.00	37,635.00	37,947.50	38,259.50	anual		
	2,107.38	2,229.50	2,340.00	3,007.88	3,033.88	3,058.25	3,084.25	3,109.25	3,136.25	3,160.63	3,185.63	equiv. mensual		
5	13.15	13.85	14.54	18.68	18.85	19.01	19.18	19.35	19.52	19.69	19.74	por hora		
	986.25	1,038.75	1,090.50	1,400.00	1,413.75	1,425.75	1,438.50	1,451.25	1,464.00	1,476.75	1,480.50	catorcenal		
	25,842.50	27,007.50	28,353.00	36,126.00	36,757.50	37,069.50	37,401.00	37,732.50	38,064.00	38,395.50	38,726.00	anual		
	2,136.88	2,250.63	2,362.75	3,035.50	3,063.13	3,089.13	3,116.75	3,144.38	3,172.00	3,199.63	3,227.75	equiv. mensual		
6	13.27	13.99	14.68	18.85	19.03	19.21	19.39	19.57	19.74	19.93	20.11	por hora		
	995.25	1,048.50	1,101.00	1,413.75	1,427.25	1,440.75	1,454.25	1,467.75	1,480.50	1,494.75	1,508.25	catorcenal		
	25,976.50	27,261.00	28,626.00	36,757.50	37,069.50	37,459.50	37,801.50	38,161.50	38,493.00	38,863.50	39,244.50	anual		
	2,156.38	2,271.75	2,385.50	3,063.13	3,119.238	3,121.63	3,150.88	3,180.13	3,207.75	3,238.63	3,267.88	equiv. mensual		
7	13.43	14.15	14.86	19.06	19.25	19.44	19.64	19.82	20.01	20.21	20.41	por hora		
	1,007.25	1,061.25	1,114.50	1,429.50	1,443.75	1,458.00	1,474.00	1,486.50	1,500.75	1,515.75	1,530.75	catorcenal		
	26,085.00	27,592.50	29,977.00	37,167.00	37,597.50	37,908.00	38,298.00	38,649.00	39,019.50	39,409.50	39,799.50	anual		
	2,182.38	2,299.38	2,444.75	3,097.25	3,128.13	3,169.00	3,191.50	3,220.75	3,251.63	3,284.13	3,316.63	equiv. mensual		
8	13.60	14.33	15.06	19.30	19.51	19.71	19.92	20.12	20.32	20.52	20.73	por hora		
	1,020.00	1,074.75	1,129.50	1,447.50	1,463.25	1,478.25	1,494.00	1,509.00	1,524.00	1,539.00	1,554.75	catorcenal		
	26,570.00	27,943.50	29,367.00	37,635.00	38,044.50	38,434.50	38,844.00	39,234.00	39,624.00	40,014.00	40,423.50	anual		
	2,210.00	2,298.63	2,447.25	3,136.25	3,170.38	3,202.88	3,237.00	3,269.50	3,302.00	3,334.50	3,366.63	equiv. mens.		
9	13.77	14.51	15.26	19.53	19.74	19.95	20.18	20.39	20.60	20.81	21.03	por hora		
	1,032.75	1,088.25	1,144.50	1,464.75	1,480.50	1,497.00	1,513.50	1,529.25	1,545.00	1,560.75	1,577.25	catorcenal		
	26,851.50	28,294.50	29,757.00	38,083.50	38,493.00	38,922.00	39,351.00	39,760.50	40,170.00	40,579.50	41,008.50	anual		
	2,237.63	2,357.88	2,479.75	3,173.63	3,207.75	3,243.50	3,279.25	3,313.38	3,347.50	3,381.63	3,417.38	equiv. mensual		
10	13.95	14.71	15.46	19.78	20.00	20.23	20.46	20.69	20.90	21.12	21.35	por hora		
	1,046.25	1,103.25	1,159.50	1,483.50	1,500.00	1,517.25	1,534.50	1,551.75	1,567.50	1,584.00	1,601.25	catorcenal		
	27,202.50	28,684.50	30,147.00	38,571.00	39,000.00	39,448.50	39,887.00	40,345.50	40,755.00	41,194.00	41,632.50	anual		
	2,256.88	2,390.38	2,517.25	3,214.25	3,250.00	3,287.38	3,324.75	3,362.13	3,396.25	3,432.00	3,469.38	equiv. mensual		
11	14.13	14.90	15.67	20.02	20.26	20.50	20.74	20.98	21.22	21.45	21.67	por hora		
	1,059.75	1,117.50	1,175.25	1,501.50	1,519.50	1,537.50	1,555.50	1,573.50	1,591.50	1,608.75	1,625.25	catorcenal		
	27,550.50	29,055.00	30,556.50	39,036.00	39,507.00	39,975.00	40,443.00	40,910.00	41,379.00	41,827.50	42,256.50	anual		
	2,296.13	2,421.25	2,546.38	3,233.25	3,297.25	3,331.25	3,370.25	3,409.25	3,448.25	3,485.63	3,521.38	equiv. mensual		

[Puerto Rico Electric Power Authority Structure of Annual Wages Linemen, Effective May 20, 2007. per hour, fourteen days, annual and monthly equivalent approved by Director of Human Resources, Occupational Group, Initial, Probation and Definite]

**AUTORIDAD DE ENERGÍA ELÉCTRICA  
ESTRUCTURA DE SALARIOS ANUALES  
CELADORES DE LÍNEAS  
CUBIERTOS POR EL CONVENIO COLECTIVO UTIER  
EFECTIVA EL 20 DE MAYO DE 2007**

Aprobado:   
Anibal Hernández Ramos  
Director de Recursos Humanos

Grupo Ocupacional	Inicial	Probatorio	Definitivo	5	10	15	20	25	30	35	
I	16.61	16.75	16.83	16.98	17.13	17.28	17.43	17.58	17.73	17.88	por hora
	1,245.75	1,256.25	1,262.25	1,273.50	1,284.75	1,296.00	1,307.25	1,318.50	1,329.75	1,341.00	catorenal
	32,389.50	32,662.50	32,818.50	33,111.00	33,403.50	33,696.00	33,988.50	34,281.00	34,573.50	34,866.00	anual
	2,699.13	2,721.88	2,734.88	2,759.25	2,783.63	2,808.00	2,832.38	2,856.75	2,881.13	2,905.50	equiv. mensual
II	17.05	17.19	17.27	17.44	17.61	17.78	17.95	18.12	18.29	18.46	por hora
	1,278.75	1,289.25	1,295.25	1,308.00	1,320.75	1,333.50	1,346.25	1,359.00	1,371.75	1,384.50	catorenal
	33,247.50	33,520.50	33,676.50	34,008.00	34,339.50	34,671.00	35,002.50	35,334.00	35,665.50	35,997.00	anual
	2,770.63	2,793.38	2,806.38	2,834.00	2,861.63	2,889.25	2,916.88	2,944.50	2,972.13	2,999.75	equiv. mensual
III	17.71	17.85	17.94	18.13	18.32	18.51	18.70	18.89	19.08	19.27	por hora
	1,328.25	1,338.75	1,345.50	1,359.75	1,374.00	1,388.25	1,402.50	1,416.75	1,431.00	1,445.25	catorenal
	34,534.50	34,807.50	34,983.00	35,353.50	35,724.00	36,094.50	36,465.00	36,835.50	37,206.00	37,576.50	anual
	2,877.88	2,900.63	2,915.25	2,946.13	2,977.00	3,007.88	3,038.75	3,069.63	3,100.50	3,131.38	equiv. mensual
IV	17.96	18.10	18.19	18.38	18.57	18.76	18.95	19.14	19.33	19.52	por hora
	1,347.00	1,357.50	1,364.25	1,378.50	1,392.75	1,407.00	1,421.25	1,435.50	1,449.75	1,464.00	catorenal
	35,022.00	35,295.00	35,470.50	35,841.00	36,211.50	36,582.00	36,952.50	37,323.00	37,693.50	38,064.00	anual
	2,918.50	2,941.25	2,955.88	2,986.75	3,017.63	3,048.50	3,079.38	3,110.25	3,141.13	3,172.00	equiv. mensual

 I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.



[Puerto Rico Electric Power Authority Structure of Annual Wages Linemen, Effective August 24, 2008, per hour, fourteen days, annual and monthly equivalent approved by Director of Human Resources, Occupational Group, Initial, Probation and Definite]

**AUTORIDAD DE ENERGÍA ELÉCTRICA  
ESTRUCTURA DE SALARIOS ANUALES  
CELADORES DE LÍNEAS  
CUBIERTOS POR EL CONVENIO COLECTIVO UTIER  
EFECTIVA EL 24 DE AGOSTO DE 2008**

Aprobado:

Aníbal Hernández Ramos  
Director de Recursos Humanos

Grupo Ocupacional	Initial	Probatorio	Definitivo	5	10	15	20	25	30	35	
I	17.27	17.42	17.50	17.66	17.82	17.97	18.13	18.28	18.44	18.60	por hora
	1,295.25	1,306.50	1,312.50	1,324.50	1,336.50	1,347.75	1,359.75	1,371.00	1,383.00	1,395.00	catorcenal
	33,676.50	33,969.00	34,125.00	34,437.00	34,749.00	35,041.50	35,353.50	35,646.00	35,958.00	36,270.00	anual
	2,806.38	2,830.75	2,843.75	2,869.75	2,895.75	2,920.13	2,946.13	2,970.50	2,996.50	3,022.50	equiv. mensual
II	17.73	17.88	17.96	18.14	18.31	18.49	18.67	18.84	19.02	19.20	por hora
	1,329.75	1,341.00	1,347.00	1,360.50	1,373.25	1,386.75	1,400.25	1,413.00	1,426.50	1,440.00	catorcenal
	34,573.50	34,866.00	35,022.00	35,373.00	35,704.50	36,055.50	36,406.50	36,738.00	37,089.00	37,440.00	anual
	2,881.13	2,905.50	2,918.50	2,947.75	2,975.38	3,004.63	3,033.88	3,061.50	3,090.75	3,120.00	equiv. mensual
III	18.42	18.56	18.66	18.86	19.05	19.25	19.45	19.65	19.84	20.04	por hora
	1,381.50	1,392.00	1,399.50	1,414.50	1,428.75	1,443.75	1,458.75	1,473.75	1,488.00	1,503.00	catorcenal
	35,919.00	36,192.00	36,387.00	36,777.00	37,147.50	37,537.50	37,927.50	38,317.50	38,688.00	39,078.00	anual
	2,993.25	3,016.00	3,032.25	3,064.75	3,095.63	3,128.13	3,160.63	3,193.13	3,224.00	3,256.50	equiv. mensual
IV	18.68	18.82	18.92	19.12	19.31	19.51	19.71	19.91	20.10	20.30	por hora
	1,401.00	1,411.50	1,419.00	1,434.00	1,448.25	1,463.25	1,478.25	1,493.25	1,507.50	1,522.50	catorcenal
	36,426.00	36,699.00	36,894.00	37,284.00	37,654.50	38,044.50	38,434.50	38,824.50	39,195.00	39,585.00	anual
	3,035.50	3,058.25	3,074.50	3,107.00	3,137.88	3,170.38	3,202.88	3,235.38	3,266.25	3,298.75	equiv. mensual

pep

I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

[Puerto Rico Electric Power Authority Structure of Annual Wages Linemen, Effective August 23, 2009. per hour, fourteen days, annual and monthly equivalent approved by Director of Human Resources, Occupational Group, Initial, Probation and Definite]

<p style="text-align: center;">AUTORIDAD DE ENERGÍA ELÉCTRICA ESTRUCTURA DE SALARIOS ANUALES CELADORES DE LÍNEAS CUBIERTOS POR EL CONVENIO COLECTIVO UTIER EFECTIVA EL 23 DE AGOSTO DE 2009</p>										
Grupo Ocupacional	Inicial	Probatorio	Definitivo	5	10	15	20	25	30	35
I	17.96	18.12	18.20	18.37	18.53	18.69	18.86	19.01	19.18	19.34 por hora
	1,347.00	1,359.00	1,365.00	1,377.75	1,389.75	1,401.75	1,414.50	1,425.75	1,438.50	1,450.50 catorcenal
	35,022.00	35,334.00	35,490.00	35,821.50	36,133.50	36,445.50	36,777.00	37,069.50	37,401.00	37,713.00 anual
	2,918.50	2,944.50	2,957.50	2,985.13	3,011.13	3,037.13	3,064.75	3,089.13	3,116.75	3,142.75 equiv. mensual
II	18.44	18.60	18.68	18.87	19.04	19.23	19.42	19.59	19.78	19.97 por hora
	1,383.00	1,395.00	1,401.00	1,415.25	1,428.00	1,442.25	1,456.50	1,469.25	1,483.50	1,497.75 catorcenal
	35,958.00	36,270.00	36,426.00	36,796.50	37,128.00	37,498.50	37,869.00	38,200.50	38,571.00	38,941.50 anual
	2,996.50	3,022.50	3,035.50	3,066.38	3,094.00	3,124.88	3,155.75	3,183.38	3,214.25	3,245.13 equiv. mensual
III	19.16	19.30	19.41	19.61	19.81	20.02	20.23	20.44	20.63	20.84 por hora
	1,437.00	1,447.50	1,455.75	1,470.75	1,485.75	1,501.50	1,517.25	1,533.00	1,547.25	1,563.00 catorcenal
	37,362.00	37,635.00	37,849.50	38,239.50	38,629.50	39,039.00	39,448.50	39,858.00	40,228.50	40,638.00 anual
	3,113.50	3,136.25	3,154.13	3,186.63	3,219.13	3,253.25	3,287.38	3,321.50	3,352.38	3,386.50 equiv. mensual
IV	19.43	19.57	19.68	19.88	20.08	20.29	20.50	20.71	20.90	21.11 por hora
	1,457.25	1,467.75	1,476.00	1,491.00	1,506.00	1,521.75	1,537.50	1,553.25	1,567.50	1,583.25 catorcenal
	37,888.50	38,161.50	38,376.00	38,766.00	39,156.00	39,565.50	39,975.00	40,384.50	40,755.00	41,164.50 anual
	3,157.38	3,180.13	3,198.00	3,230.50	3,263.00	3,297.13	3,331.25	3,365.38	3,396.25	3,430.38 equiv. mensual

Aprobado:



Anibal Hernández Ramos  
Director de Recursos Humanos

pep

I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

[Puerto Rico Electric Power Authority Structure of Annual Wages Linemen, Effective August 22, 2010. per hour, fourteen days, annual and monthly equivalent approved by Director of Human Resources, Occupational Group, Initial, Probation and Definite]

<p style="text-align: center;">AUTORIDAD DE ENERGÍA ELÉCTRICA ESTRUCTURA DE SALARIOS ANUALES CELADORES DE LÍNEAS CUBIERTOS POR EL CONVENIO COLECTIVO UTIER EFFECTIVA EL 22 DE AGOSTO DE 2010</p>												
Grupo Ocupacional	I			II			III			IV		
	Initial	Probatorio	Definitivo	5	10	15	20	25	30	35		
I	18.68	18.84	18.93	19.10	19.27	19.44	19.61	19.77	19.95	20.11	por hora	
	1,401.00	1,413.00	1,419.75	1,432.50	1,445.25	1,458.00	1,470.75	1,482.75	1,496.25	1,508.25	catocenal	
	36,426.00	36,738.00	36,913.50	37,245.00	37,576.50	37,908.00	38,239.50	38,551.50	38,902.50	39,214.50	anual	
	3,035.50	3,061.50	3,076.13	3,103.75	3,131.38	3,159.00	3,186.63	3,212.63	3,241.88	3,267.88	equiv. mensual	
II	19.18	19.34	19.43	19.62	19.80	20.00	20.20	20.37	20.57	20.77	por hora	
	1,438.50	1,450.50	1,457.25	1,471.50	1,485.00	1,500.00	1,515.00	1,527.75	1,542.75	1,557.75	catocenal	
	37,401.00	37,713.00	37,888.50	38,259.00	38,610.00	39,000.00	39,390.00	39,721.50	40,111.50	40,501.50	anual	
	3,116.75	3,142.75	3,157.38	3,188.25	3,217.50	3,250.00	3,282.50	3,310.13	3,342.63	3,375.13	equiv. mensual	
III	19.93	20.07	20.19	20.39	20.60	20.82	21.04	21.26	21.46	21.67	por hora	
	1,494.75	1,505.25	1,514.25	1,529.25	1,545.00	1,561.50	1,578.00	1,594.50	1,609.50	1,625.25	catocenal	
	38,863.50	39,136.50	39,370.50	39,760.50	40,170.00	40,599.00	41,028.00	41,457.00	41,847.00	42,256.50	anual	
	3,238.63	3,261.38	3,280.88	3,313.38	3,347.50	3,383.25	3,419.00	3,454.75	3,487.25	3,521.38	equiv. mensual	
IV	20.21	20.35	20.47	20.68	20.88	21.10	21.32	21.54	21.74	21.95	por hora	
	1,515.75	1,526.25	1,535.25	1,551.00	1,566.00	1,582.50	1,599.00	1,615.50	1,630.50	1,646.25	catocenal	
	39,409.50	39,682.50	39,916.50	40,326.00	40,716.00	41,145.00	41,574.00	42,003.00	42,393.00	42,802.50	anual	
	3,284.13	3,306.88	3,326.38	3,360.50	3,393.00	3,428.75	3,464.50	3,500.25	3,532.75	3,566.88	equiv. mensual	

Aprobado:

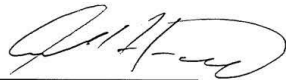


Anibal Hernández Ramos  
Director de Recursos Humanos

pep

I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

PUERTO RICO ELECTRIC POWER AUTHORITY  
STRUCTURE OF ANNUAL WAGES  
LINEMEN COVERED BY COLLECTIVE BARGAINING AGREEMENT  
UTIER  
EFFECTIVE AUGUST 21, 2011

Approved:   
Aníbal Hernández Ramos  
Director of Human Resources

Occupational Group	Initial	Probation	Definite	5	10	15	20	25	30	35
I	19.45 1,458.75 37,927.50 3,160.63	19.61 1,470.75 38,239.50 3,186.63	19.70 1,477.50 38,415.00 3,201.25	19.87 1,490.25 38,746.50 3,228.88	20.04 1,503.00 39,078.00 3,256.50	20.21 1,515.75 39,409.50 3,284.13	20.38 1,528.50 39,741.00 3,311.75	20.54 1,540.50 40,053.00 3,337.75	20.72 1,554.00 40,404.00 3,367.00	20.88 per hour 1,566.00 every fourteen days 40,716.00 annual 3,393.00 monthly equiv.
II	19.95 1,496.25 38,902.50 3,241.88	20.11 1,508.25 39,214.50 3,267.88	20.20 1,515.00 39,390.00 3,282.50	20.39 1,529.25 39,760.50 3,313.38	20.57 1,542.75 40,111.50 3,342.63	20.77 1,557.75 40,501.50 3,375.13	20.97 1,572.75 40,891.50 3,407.63	21.14 1,585.50 41,223.00 3,435.25	21.34 1,600.50 41,613.00 3,467.75	21.54 per hour 1,615.50 every fourteen days 42,003.00 annual 3,500.25 monthly equiv.
III	20.70 1,552.50 40,365.00 3,363.75	20.84 1,563.00 40,638.00 3,386.50	20.96 1,572.00 40,872.00 3,406.00	21.16 1,587.00 41,262.00 3,438.50	21.37 1,602.75 41,671.50 3,472.63	21.59 1,619.25 42,100.50 3,508.38	21.81 1,635.75 42,529.50 3,544.13	22.03 1,652.25 42,958.50 3,579.88	22.23 1,667.25 43,348.50 3,612.38	22.44 per hour 1,683.00 every fourteen days 43,758.00 annual 3,646.50 monthly equiv.
IV	20.98 1,573.50 40,911.00 3,409.25	21.12 1,584.00 41,184.00 3,432.00	21.24 1,593.00 41,418.00 3,451.50	21.45 1,608.75 41,827.50 3,485.63	21.65 1,623.75 42,217.50 3,518.13	21.87 1,640.25 42,646.50 3,553.88	22.09 1,656.75 43,075.50 3,589.63	22.31 1,673.25 43,504.50 3,625.38	22.51 1,688.25 43,894.50 3,657.88	22.72 per hour 1,704.00 every fourteen days 44,304.00 annual 3,692.00 monthly equiv.

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#### ARTICLE XXX - EXTRAORDINARY COMPENSATION

Section 1. Extraordinary compensation will be paid as follows:

- A. Double the regular salary rate for hours worked in excess of seven and a half (7½) hours a day.

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- B. Double the regular salary rate for hours worked during the workweek in excess of thirty-seven and a half (37½) hours on the sixth and seventh day (day of rest).
- C.
  - 1. Regular, special regular, and temporary workers required to work on approved holidays or during those hours granted free with pay as set forth in Article XXIII shall receive payment for such worked hours at double their regular salary rate. This compensation includes basic pay or granted pay when these hours or holidays are included in their regular work schedule. In this case, regular, special regular, and temporary workers with a work schedule of eight (8) consecutive hours in rotating shifts and seven and a half (7½ hours) will be paid an additional hour for the work done during the meal period during a holiday or a day granted free with pay.
  - 2. Emergency workers shall be paid at double the regular salary rate for hours worked on approved holidays as provided in Article XXIV. This compensation includes the regular pay granted when the worked hours are included within their regular working hours on those holidays granted free with pay to emergency workers, as provided in Article XXIV. When an emergency worker has not been required to work on public holidays, he/she will receive no compensation whatsoever, except on those holidays granted free with pay included in his/her regular work schedule, as provided in Article XXIV.
  - 3. Emergency workers required to work during those hours granted free with pay by the Authority due to administrative provision of the Governor, as provided in Article XXV, shall receive pay for these worked hours at

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double the regular salary rate. This compensation includes the regular pay granted if the worked hours are included within the regular working hours. If they are not required to work during their regular working hours granted free with pay, emergency workers will receive pay for these hours at the rate of the regular salary rate.

Section 2. That worker whose regular schedule is not one of rotating shifts and whose regular schedule is interrupted will be compensated for the hours worked in substitution of his regular working hours at double the regular salary rate including the basic pay for the duration of the substitution.

Section 3. When a rotating shift worker is called to work shifts in addition to his regular shift without having completed sixteen and a half ( $16\frac{1}{2}$ ) hours of rest after his seven and a half ( $7\frac{1}{2}$ ) hours of work, he shall be compensated at twice the regular salary rate.

Section 4. Workers on rotating shifts and those who, as a condition of work, are required to work on schedules of eight (8) consecutive hours will work the eight (8) consecutive hours per day, but will receive pay for work performed in excess of the regular workday of seven and a half ( $7\frac{1}{2}$ ) hours at double the regular salary rate.

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ARTICLE XXXIII - CHRISTMAS BONUS (\$600.00)

Section 1.

- A. The Electric Power Authority shall grant on the first Friday of the month of December of each year covered by this agreement a Christmas Bonus to each of the regular and special regular workers belonging to the appropriate Unit, to which this agreement refers, who had been employed at the close of the fiscal year prior to the month of December in each of those years and had at least six (6) months of service as such at the close of said fiscal year. The bonus will be equivalent to eight percent (8%) of the total salary earned by each worker during each of those fiscal years.
- B. In those cases in which, before the end of the fiscal year, the employee has died, retired, or been recruited by the Armed Forces of the United States, he/she shall be entitled to the Christmas Bonus this year in proportion to the total salary earned during the fiscal year, as if it had continued and been in active service until the close of that fiscal year.
- C. In the case of the employees who retire, they will be liquidated the corresponding amount of the Christmas Bonus under this Article, at the time of retirement.

Section 2. All temporary employees shall be entitled to receive a Christmas Bonus equivalent to six percent (6%) of their annual salary up to eight thousand dollars (\$8,000.00) and four percent (4%) of the excess of eight thousand dollars (\$8,000.00) up to ten thousand dollars (\$10,000.00) in each year he/she has rendered services to the Authority during at least nine hundred sixty (960) hours within the period of twelve (12) months from December 1 of the previous year to November 30 in which it is granted.

For purposes of determining the amount of the Christmas Bonus, the annual salary shall be considered as the total salary earned by the temporary employee up to the amount of ten thousand dollars (\$10,000) during the twelve (12) months preceding December 1 of the year in which the bonus is granted.

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Services for fifteen (15) days or more during a month will be considered as one month of service.

Section 3. In the event of earthquakes, hurricanes, or casualties that cause damage to the property of the Authority, or that cause a reduction in its income that it cannot cover with the reserves and insurance provided for such damages to property or reduction in its income and the Authority shows that its financial situation does not allow it to pay the Christmas Bonus in the agreed amount, the Authority and the Union shall determine by mutual agreement the reasonable amount to be paid by the Authority, instead of the amount provided in Sections 1 and 2 of this article.

If the Authority and the Union do not agree, the dispute shall be submitted to the decision of a Special Arbitrator to be appointed by mutual agreement between the parties. This Special Arbitrator must be a person of recognized professional competence in the field of finance and economics, and of recognized moral solvency in the community. The Arbitrator shall resolve the dispute in accordance with the provisions of this Article XXXIII and his/her award shall be final and binding on the parties.

The fees and expenses of such Special Arbitrator shall be borne equally by the Authority and the Union.

#### ARTICLE XXXIV - SPECIAL ANNUAL COMPENSATION FOR RISK

Section 1. The Authority shall grant annually a special risk compensation to employees included in the classifications listed in Section 3 under the conditions set out below. This special compensation will be distributed during the Week of Electricity (Powerline Technician's Day and Plant Worker's Day) each year. It is granted since such employees frequently work in one way or another exposed to the risk of coming into electrical contact or those employees, as a consequence of the daily functions performed, are continuously exposed to a real danger of suffering serious physical harm or loss of life.

Section 2. Any employee included in the term of this agreement who, during the calendar year of 1999 and subsequent calendar years, has

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worked actively in one of the classifications included in Section 3 of this Article for a period of six (6) months or more will receive a special annual compensation which is established here according to his/her classification.

In the event that the employee has not completed the six (6) month period indicated above because he/she has been injured, has been disabled or has died as a result of having been exposed to the risks of his/her position or has retired, he/she or his/her beneficiary heirs will have the right to receive the proportional part of the special annual compensation according to the time he/she had worked. The worker who has ceased to be an employee of the Authority on or before December 31, due to resignation, dismissal, or lost seniority shall not be entitled to receive special annual compensation in accordance with the provisions of the agreement.

Section 3. For the purposes of the special annual compensation provided in this Article, the following groups are established with their respective special compensation.

Group A - \$660 annually

1. Powerline Technician III
2. Powerline Technician IV

Group B - \$600 annually

1. Powerline Technician II

Group C - \$460 annually

1. Powerline Technician I
2. Heavy Vehicle Driver III and IV
3. Field Electrician I, II and III
4. Employees from area of Conservation of Substations and Conservation of Power Generation Plants:
  - a. Electrical Equipment Tester Assistant
  - b. Heavy Vehicle Driver III and IV
  - c. Field Electrician I, II and III
  - d. Coil Winder I and II
  - e. Substations Conservation Worker

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- f. Substations Conservation Tinsmiths
- g. Insulating Oil Purification Equipment Operator I and II
- h. Painters I, II and III
- i. Electrical Equipment Tester
- j. Welders I, II, III and IV
- k. General Worker for Buildings and Land I and II
- l. Special General Worker for Buildings and Land
- m. General Worker for Conservation of Substations

5. Employees from Areas of Power Generation Plants

- a. Combined Cycle Unit Operator Assistant
- b. Hydroelectric Generation Plant Operator Assistant
- c. Power Generation Plant Electricians I, II and III
- d. Auxiliary Equipment Operator I, II and Relay
- e. Welders I, II, III and IV

Group D - \$450.00 annually

- 1. Consumption Meter Tester II
- 2. Special Consumption Meter Tester
- 3. Late Accounts Collector and Relay
- 4. Telecommunications-System Lines and Equipment Installer-Repairer

Group E - \$425.00 annually

- 1. Insulation Builder I, II and III
- 2. Powerline Conservation Group Worker
- 3. Tree Trimming Group Worker
- 4. Boiler Mechanic
- 5. Power Generation Plant Mechanic I, II and III
- 6. Instrument Mechanic I, II and III
- 7. Reaction Engine Mechanic I and II
- 8. Power Generation Plant Workshop Mechanic I, II and III
- 9. General Workshop Mechanic
- 10. Trimmers
- 11. **Carrier-Current Relay and Instrument Technician I and II**

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12. General Worker for Buildings and Land I and II
  13. General Worker for Scheduled Conservation
  14. Powerline General Worker
  15. Equipment Worker-Operator
  16. Heavy Equipment Operator I, II and III
- Group F - \$240.00 annually
1. Rigger
  2. Sprayer
  3. Aviation Mechanic Assistant
  4. Heavy Vehicle Driver I and II
  5. Load Study Equipment Installer
  6. Electrical Measuring Instrument Installer
  7. Investigator of Irregularities in Power Consumption
  8. Aviation Mechanic
  9. Substation Equipment Mechanic and his/her assistants
  10. Substations Operator - Computer Systems
  11. Fuel Pumping Equipment Operator
  12. Consumption Meter Tester I
  13. Lab Technician I and II
  14. Employees from Area of Power Generation Plants
    - a. Boiler Mechanic Assistant
    - b. Power Generation Plant Mechanic Assistant
    - c. Carpenters I, II and III
    - d. Heavy Vehicle Driver I, II, III and IV
    - e. Equipment and Tool Worker I and II
    - f. Hydroelectric Generation Plant Operator y Relay
    - g. Heavy Equipment Operator I, II and III
    - h. Forklift Operator
    - i. Worker for Conservation of Power Generation Plants
    - j. General Worker for Power Generation Plant I, II and III
    - k. General Worker for Hydro and Gas Power Plant
    - l. Special General Worker for Power Generation Plant
    - m. General Worker for Buildings and Land I and II

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- n. Special General Worker for Buildings and Land
- o. Special General Worker for Diesel Station
- p. Hydroelectric Station Guard

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#### ARTICLE XXXVI - PAYMENT OF TRANSFER EXPENSES

Section 1. The Authority shall reimburse the fixed amount of two hundred twenty-five dollars (\$225.00) for transfer expenses to the regular workers who are transferred permanently from one municipality to another

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in the following cases:

- A. When the transfer is the exclusive interest of the Authority.
- B. When the transfer is in accordance with Article XLII on partially disabled workers.

Section 2. In order to allow the employee to relate to his work in the new municipality and to take the necessary steps during working hours to seek permanent accommodation and to carry out any other errands to enable his/her transfer, such regular worker will be transferred temporarily to the other municipality for a period that shall not exceed five (5) working days and the transportation will be provided or paid for and the corresponding per diem allowance will be paid.

#### ARTICLE XXXVII - TRANSFERS IN THE AUTHORITY'S EXCLUSIVE INTEREST

When the Authority needs to permanently transfer a regular worker from one municipality to another or within a municipality, the Authority and the Union together with the employee shall first discuss the reasons which compel the Authority to carry out such transfer, as well as the economic, health, and other damages that the transfer may cause the worker. In case the transfer is carried out in the exclusive interest of the Authority, the regular worker will be reimbursed the following compensation for the transfer as liquidated damages:

- A. Transfer from one municipality to other.....\$575.00
- B. Transfer within a municipality.....\$350.00

Provided that, for the regular worker to be entitled to receive compensation for liquid damages within the municipality, the site or work center to which the worker is transferred must be at a distance by road route, through the shortest route, of two and a half miles (2½) or more from the site or work center from which he/she is being moved.

#### ARTICLE XXXVIII - PENSION SYSTEM

Section 1. The parties agree that the pension system, called the Employee Retirement System of the Puerto Rico Electric Power Authority,

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which has been established and is in force and whose establishment was requested and carried out in accordance with the provisions of the previous collective agreements, must continue to operate subject to proposals for improvements that the parties may submit to the Board of Trustees and that the Board of Trustees accepts, or that the Board of Trustees considers appropriate.

Section 2.

- A. The Authority shall contribute to a special fund in the Employee Retirement System of the Electric Power Authority, during the term of this agreement, the necessary amount actuarially calculated to pay a benefit to regular workers, special regular workers, and regular workers with special appointments, whether or not they belong to any system of retirement, who cease in the active service at the Authority for one of the following causes: retirement due to physical or mental disability; retirement due to age or to years of service and age, or the acceptance of an actuarial pension; or cessation of service due to having reached retirement age. The benefit to be granted upon cessation of service for the aforementioned causes shall be as follows: the accumulated sick leave balance shall be credited as service time at a rate of one (1) creditable service month for every fifteen (15) days of unused sick leave for the purpose of completing and/or increasing years of service for retirement purposes. In the event that the regular worker or the regular worker with a special appointment does not belong to the Retirement System of the Authority, this additional benefit will be paid to him/her as if he/she were a member of said Retirement System.
- B. The Authority will contribute one hundred fifty thousand dollars (\$150,000) annually to the Retirement System of its employees so that, as determined by its Board of Trustees, it secures the personal loans it grants to all its members, up to a maximum of \$10,000. Thus, the balance of such loans, up to the maximum indicated above, will be settled in the event of death of a member or in cases of retirement due to physical disability, as well as in cases of emotional disability, resulting

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from a work-related accident, as recognized by the State Insurance Fund. Any excess on the contribution of \$150,000 per year will be borne by the Retirement System and its members.

#### ARTICLE XXXIX – PROCEDURE FOR COMPLAINT RESOLUTION

Section 1. All disputes and complaints based on the provisions of this agreement shall be the responsibility of the bodies created in this Article and of the bodies created by law.

Section 2. Disputes or complaints must be filed as soon as possible and no later than the next six (6) months from the date on which the events that gave rise to them occurred.

Section 3. The Union shall designate a representative in each of the Sections or Departments of the Authority to represent the workers covered by this agreement in any controversy or complaint arising in said Sections or Departments.

Section 4. Procedure in the Informal Stage

Any controversy or complaint involving the interest of one or more workers within a Section or Department shall be submitted by the worker or the workers themselves or accompanied by the representative to the Supervisor of said Section or Department, including the District Superintendents of Lines, District Engineers, District Managers, Superintendents of Operations, Conservation Engineers, and Superintendents, who shall render his/her decision in writing within a term of five (5) business days following the filing of the dispute or complaint.

If said dispute or complaint is resolved by the supervisor and the Union representative, the decision taken shall be final and unappealable; but it will establish a rule only for that specific case, unless, subsequently, the Authority and the Union of common accord decide to adopt it as a general rule.

If the Union does not agree with the supervisor's decision on such dispute or complaint at this non-formal stage, it shall formally submit it

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by written complaint to the formal appeal level within the next twenty (20) working days after such decision is issued or after the term to reply has expired. Failure to file the complaint within the aforementioned term, the supervisor's decision shall prevail.

The Local Chapter President, at the request of the workers or the Section representative or on his own initiative, may intervene with the solution of any of these disputes or complaints, either from its origin or at any later stage.

Section 5. Formal Level of Responsibility

The formal appealing level is the Chief of the Division or corresponding Administrator or the persons in whom they delegate and the State Council President or the Local Chapter President.

In all cases where the Chief of the Division or the Administrator has delegated to another supervisor, the latter shall have full and exclusive responsibility to address the complaint and the decision that the latter shall take shall be final for the purposes of the Authority at this level of responsibility.

Section 6. Procedure in the Formal Stage

A. Appellate Procedure

In the case of complaints on appeal or complaints filed in the first instance, the Chief of the Division or the Administrator or the person in whom they delegate, as the case may be, shall issue his/her decision in writing within the next twenty (20) working days from the receipt of the appeal or the complaint, establishing the grounds for his/her determination.

In the event that the Union requests in the appeal or in the complaint that a hearing is held, it shall be held within ten (10) working days of receipt of the appeal or the complaint, and the Chief of the Division or the Administrator or the person in whom they delegate shall issue his/her decision in writing within the next ten (10) working days from the end of the hearing.

If one of the parties does not show at the hearing, the complaint will be considered resolved in favor of the other party, unless it has previously

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requested the postponement of the same for justified reasons.

In the event of a postponement, the hearing shall be held within a non-extendible term of ten (10) working days from the date of postponement and the Division Chief or the Administrator, or the person in whom they delegate, as the case may be, shall issue his/her Decision in writing within the next ten (10) working days after the end of the hearing.

The Chief or the Administrator or the person in whom they delegate, as the case may be, will issue his/her decision in writing within the established term; otherwise, the complaint will be considered resolved in favor of the worker. He/she shall send a copy of the decision to the Council President, the Chapter President, and the supervisor who had issued a decision at the non-formal stage.

If the Council President or the Chapter President is not satisfied with the decision issued at the formal appeal level, he shall, within sixty (60) working days of receipt of the formal appeals level decision, notify the General Administrator of the Office of Labor Affairs his/her intention to submit the case to arbitration.

The Union President or the Chapter President shall have sixty (60) working days after receipt of the decision of the formal appeal level to request in writing the intervention of an arbitrator. If there is failure to comply with the aforementioned terms, the decision of the Authority will prevail.

B. Complaints Committee

The Union shall designate four officers to address all cases of arbitration to be ventilated through this procedure and in which the arbitrator has been requested to intervene.

The Authority shall grant leave with pay to these officers so that they may investigate the complaints and represent the Union in the Arbitration forum. It shall be the responsibility of the Union and the Officials to use this leave for the purposes that it is granted.

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The Union official or officers involved in the case or collective cases and the designated officer of the Bureau of Labor Affairs may meet for the purpose of resolving it, either to compromise, withdraw, or adjudicate. This meeting shall be held at the request of either party. At the time of the meeting of the parties, the Complaints Committee shall be constituted. The decisions made by this Committee shall be final and unappealable.

Section 7. When the controversy or complaint arises with respect to one of the employees under the direct supervision of the Formal Level, it must be filed at this level and later the intervention of the arbitrator will be requested in accordance with the established procedure.

Section 8. In the event of a complaint that needs to be resolved urgently for the good of the workers and the service, the State Council President and the Local Chapter President may address it at the higher levels before filing such a complaint at the corresponding level of responsibility.

Section 9. Any dispute that involves the same factual situation and the same provision of the Agreement and that affects the interest of workers of two or more Chapters of the UTIER will be considered as a collective case. In these cases, the State Council President may meet with the General Administrator of the Authority's Office of Labor Affairs or with the person in whom he/she delegates for the purpose of discussing the matter and seeking a solution for it. At that meeting, the State Council President shall submit the names of the employees affected, the Chapters to which they belong, the facts giving rise to the dispute, and the applicable provisions of the agreement. If the parties fail to agree, or if the dispute is not resolved, or if the meeting requested by the State Council President is not achieved, the latter may refer the dispute directly to Arbitration. The arbitrator selected by the parties, by means of the procedure established in Section 12 of this Article, will decide in first instance whether or not the case is collective and, if it is, he/she will proceed to decide on its merits.

The agreement reached by the State Council President and the General Administrator of the Office of Labor Affairs or the award

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issued by the arbitrator shall be applicable to all employees whose names appear in said complaint.

Section 10. At any stage of this procedure, the State Council President or the corresponding Chapter President may discuss the complaint with the General Administrator of the Labor Affairs Office or with whom the latter delegates in order to seek a solution to it. These steps will not interrupt the terms established in this procedure.

Section 11. At the level of responsibility where a complaint is filed, the supervisor will prepare a case file that will contain the complaint and all related documents that have been filed at that level.

If the case is appealed to another level of responsibility, the record will be immediately forwarded to the appropriate level of appeal, and it will be the duty of this level to make any document related to the complaint appearing at the appeal level part of the file.

Section 12. Procedure for the Designation of Arbitrator and Arbitration Hearing

The arbitration procedure will be in accordance with the regulations that the Bureau of Conciliation and Arbitration of the Department of Labor and Human Resources has for this purpose.

- A. The arbitrator will be selected through the procedure of a three-candidate shortlist sent by the Department of Labor, of which the Authority eliminates one candidate, the Union another, and the remainder is designated.
- B. The arbitrator shall have, among other things, the following powers:
  - 1. Cite the parties and determine the site, date, and time for the hearings.
  - 2. Address and resolve requests for postponement of hearings.
  - 3. Direct all activities during the resolution of the cases that are brought up to him/her.
  - 4. Resolve any difference in judgment with respect to the terms and wording of the submission agreement.

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5. Resolve all procedural issues that arise in the course of the hearings.
  6. The Complaints Committee or the arbitrator will issue his/her/its decision taking into consideration those clauses of the agreement applicable to the facts of the complaint that most favor the worker.
- C. The decision will be in accordance with the collective agreement, being the same final and unappealable for the parties, and it must establish the grounds on which it is based.
- D. During the hearings, the services of a stenographer will be used, who will be paid by the Authority, and a copy of the transcription will be supplied to the Union.
- E. The Complaints Committee, nor the arbitrator shall have the power to alter, modify, add, or delete any provision of this agreement.
- F. The expedited procedure for the selection of arbitrators set forth herein shall apply to cases arising from the administration of Article IX, Section 2, Item C.**

Section 13. Procedure to Follow for the Request of Documents: Cases Related to the Adjudication of Job Positions and Procedure for Complaint Resolution

Officials designated by the Union to address cases related to the Adjudication of Job Positions, and complaints under the Procedure for Complaint Resolution, and where the arbitrator has been requested to intervene, shall have the right to request the documents they deem necessary for the investigation and representation of the Union in cases under the following conditions:

1. At the request of the Union, the Arbitration Department of the Office of Labor Affairs shall issue a certificate stating that the arbitrator has been requested to intervene in the case.
2. The Union official shall request in writing the Division Chief or the corresponding Administrator the information of interest and will accompany the request with a copy of the certification. The information requested should be as specific as possible regarding the documents being requested

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- and, if possible, should identify the document with the date of the same and the suggested date of delivery.
3. In those cases in which he/she requests information from a Division Chief or the Administrator and if, after a reasonable time, his/her request has not been answered, the Union official shall coordinate with the corresponding Area Director or the person in whom he/she delegates the date and time at which the requested documents can be delivered. These documents shall be delivered as soon as possible.
  4. In case the Union cannot specify the documents it needs from the personnel file, the assigned Union official shall immediately coordinate with the Supervisor of the Personnel Transactions Department the date and time the Union official will come to examine the file. The copies of the needed documents will be requested to the Supervisor of the Personnel Archive and Mail Section, who will supply the same.

Section 14. Claims for extraordinary compensation will be resolved through the procedure for the resolution of complaints established in this Article. The parties or their attorneys may agree that the decision of these cases be in accordance with law.

Section 15. The days referred to in this Article shall be working days. In computing the terms established here, the first day will be excluded and the last day will be included.

Section 16. The parties agree to continue to consider different alternatives to expedite the procedure to address and settle complaints.

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## ARTICLE XLI - DISCIPLINARY PROCEDURE

Section 1. In all cases of reprimand, disciplinary measures, or suspension of employment and salary in regards to a worker, the corresponding charges must be formulated and notified by the supervisor, which will be based on the Rules of Discipline dated 1 January 1950, Spanish version.

Such rules may not be changed, altered, or amended unless the consent of the parties is met.

Section 2. Once he/she becomes aware of the facts, the supervisor will conduct an investigation of the facts and will render a report of said investigation no later than thirty (30) working days following the date in which the supervisor gained official knowledge of said facts. A copy of the supervisor's report will be sent to the worker, the Section representative, the Local Chapter President, and the State Council President. The formulation of charges shall be made as soon as possible and no later than twenty (20) working days after the supervisor has

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completed the investigation of the facts that gave rise to said charges and the same shall indicate the penalty that the violation to the imputed Rules of Conduct entails.

Notification of the charges to the worker will be done by personal delivery to the worker or by certified mail to his official address, according to the records of the Personnel Office. Copy of the charges will be sent to the Section representative, the Local Chapter President, and the State Council President.

Section 3. Any worker charged with violation of one or more of the Rules of Conduct shall have fifteen (15) working days from the date of receipt of the notification of such charges by the State Council President in order to request the General Administrator of the Office of Labor Affairs to hold a formal arbitration hearing for the ventilation thereof, which shall be before an arbitrator of the Department of Labor. At the hearing, the worker shall be represented by the State Council President or any other Union official and/or by the lawyer he/she chooses.

Section 4. The Authority shall request the Department of Labor in writing the sending of a list of three (3) arbitrators in order for the parties to select the arbitrator who will handle the hearing. From that list, the Union will eliminate one (1) candidate, the Authority will eliminate another, and the one that remains will be the arbitrator who will address the case. Once the arbitrator is selected, the arbitrator will indicate the date of the hearing.

The arbitrator shall resolve the case no later than thirty (30) working days after the end of the hearing. The arbitrator shall notify his decision to the Executive Director, through the Administrator of the Bureau of Labor Affairs, in order to have it enforced. A copy of the award will also be sent by the arbitrator to the worker and the State Council President, the Local Chapter President, and the attorneys, if any.

Section 5. If the worker has not been suspended temporarily and the hearing is held on one of his/her days off, the time spent by him/her at the hearing shall be paid in accordance with the provisions of the Agreement and he/she shall also be entitled to his/her corresponding per diem allowance. If the defense witnesses are working,

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the Authority will grant them free time with pay up to the maximum of their regular daily working hours and they will also be entitled to their corresponding per diem allowances.

Section 6. Summary Suspensions

- A. Only the following charges shall be cause for summary suspension from employment and salary prior to the formal hearing: embezzlement, theft, escalation, misuse of funds of the Authority, recidivist and illegal use of controlled substances, or refusal to submit to a rehabilitation program, or reasonable grounds for the actual danger of destruction to the property of the Authority or the life of any of its employees.
- B. Any disciplinary case based on those causes, as well as those cases contemplated in Article XIX, Work-Related Accident Leave, shall be vested before the examining officers selected by the parties, in accordance with the terms of this Article.
- C. UTIER recognizes the faculty of the Authority, in those cases in which a summary suspension from employment and salary proceeds, to allow the employee to continue performing his/her functions without this depriving its jurisdiction to ventilate the merits of the case before an examining official.
- D. In those cases in which the Authority is interested in ordering the worker's summary suspension from employment and salary, the Authority will grant an informal, prior, non-evidentiary hearing. In the summons to this informal hearing, the employee will be notified in writing of the administrative charges. At the hearing, the worker will be given a description of the evidence that the employer has and the employee will have the opportunity to express his/her version of what happened. Likewise, the employee will have the right to expose the defenses that he can have before the imputations notified in the informal summons. At the hearing, the employee may be assisted (advised) by the union representative or legal representative that he determines.

If the employee does not appear at that hearing or does not present defenses that defeat said allegations, the Authority may impose the summary suspension from employment and salary. The employee will be entitled to a copy of his/her statement.

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- E. If conditions arise which capture the compelling interest of the Authority thus preventing an informal hearing prior to the suspension from employment, the Authority may order a summary suspension from employment until an informal hearing is held.
- F. In cases in which the Authority deems a summary suspension from employment or employment and salary, the charges and the Investigation Report shall be notified to the worker, the Chapter President, and the State Council President no later than the first five (5) working days following the date of said summary suspension from employment, excluding Saturdays, Sundays, and holidays, delivered to the worker personally or by registered letter with acknowledgment of receipt to his official address, according to the records of the Personnel Office. Copies will be sent by certified mail to the Chapter President and to the State Council President. In the case of rotating shift workers, the five (5) working days will be included in their regular work schedule.
- G. Following the summary suspension and, at the employee's request, the formal hearing will be held before the designated examining official.

The term to request a formal administrative hearing before an examining official is fifteen (15) working days and will be counted from the date on which the State Council President receives a copy of the notification with the formulated charges. This request for hearing shall be made to the General Administrator of the Bureau of Labor Affairs.

The examining official shall call and hold a hearing within fifteen (15) calendar days from the date of receipt of his appointment. If one of the parties does not appear at the hearing, the examining officer shall proceed to decide the case according to the evidence admitted at said hearing.

The decision of the examining official shall be issued within thirty (30) calendar days following the date on which the case is submitted. The examining official shall notify the Executive Director of his/her decision through the Administrator of the Bureau of Labor Affairs. A stenographic record of the hearing shall be kept and

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a copy of the transcript of the record shall be provided to the examining official, the Union, and the Authority.

- H. In cases of illegal use of controlled substances, the Authority may summarily suspend a worker from employment and salary if he relapses into illegal use of controlled substances or refuses to submit to a Rehabilitation Program, after holding an informal hearing, which shall be no later than five (5) business days following the date of employment suspension. The suspension from employment will be automatic, once the supervisor is notified.

The worker will be informed by the Authority in writing of the administrative charges indicating the time, day, and place of the informal hearing. At the hearing, the worker will be given a description of the evidence that the Authority has and he/she will have the opportunity to express his/her version of what happened. Likewise, the employee will have the right to expose the defenses that he/she might have before the imputations notified in the informal summons. At the hearing, the worker may be assisted (advised) by the union representative or legal representative that he/she determines.

In cases of suspension before the formal hearing, the charges will be notified to the worker and to the Union no later than the first five (5) working days following the date of suspension, excluding Saturdays, Sundays, and public holidays, by notifying the worker by means of an original and a copy of the charges formulated and copying the Section representative, the Local Chapter President, and the State Council President; it is understood that, in the case of the workers of rotating shifts, the five (5) working days will be included in their regular work schedule. These notifications may be in person or by registered mail.

In these cases, the corresponding charges will be formulated and notified, in accordance with the provisions of this procedure, by the employee's supervisor. Any worker who is charged, in accordance with the above procedure, shall have five (5) working days from the date of receipt of the notification to the State Council President with the formulation of said charges in order to request the General Administrator of the Office of Labor Affairs

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holding a hearing for the ventilation of these. The Office of Labor Affairs shall notify the appropriate examining official, who shall call and hold a hearing within ten (10) calendar days from the date of receipt of such notice. If one of the parties does not appear at the hearing, the examining official shall proceed to decide the case according to the evidence admitted at said hearing.

The decision of the examining official shall be issued within ten (10) calendar days following the date on which the case was submitted.

The examining official shall notify the Executive Director of his/her decision through the Administrator of the Bureau of Labor Affairs to be enforced. Copies of this decision must also be sent by the latter to the worker, the State Council President, the Local Chapter President, and the attorneys, if any.

I. Examining Officials

The parties agree to establish a list of nine (9) examining officials. Such examining officials shall be former judges from the Courts of Justice of the Commonwealth of Puerto Rico.

- J. The agreed list may be reviewed every two years, at the request of one of the parties. Such request must be formalized at least ninety (90) days in advance of the expiration of such term. If no such request is made, the list will be renewed automatically for a similar period. The request for modification and/or replacement of examining officials shall be made by certified mail with acknowledgment of receipt, identifying the name(s) of the examining officials(s) to be replaced and the name of his/her substitute. If the situation arises in which, at the request of the Authority or UTIER, there are less than five (5) who will continue to function as such, examining officials, the names of the excluded shall be sorted to bring the number to five (5) while the parties designate by mutual agreement the alternates until completing nine (9).

- K. Until a new list is negotiated, the list shall be valid and the cases assigned or pending before all examining officials will continue their normal course of action.

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- L. If one of the parties in a specific case requests the inhibition of an examining official, the provisions of Rule 63 of the Rules of Civil Procedure of Puerto Rico shall be followed.
- M. The professional services corresponding to the examining officials will be satisfied in a proportion of fifty (50%) percent each party. Those examining officials with five (5) years or more as such shall earn fees of one hundred dollars (\$100) per hour and those with less than five (5) years, fees of seventy (\$70) dollars per hour.
- N. In cases of death, indisposition, prolonged illness, disability, resignation, prolonged absence, or other reasons in which an examining official is not available, the parties shall meet and mutually agree upon his/her substitute within a term no greater than forty five (45) days. Prolonged sickness or absence shall mean a term of six (6) months in which, for that reason, the examining official cannot continue to perform as such.
- O. The list of examining officials will be prepared in alphabetical order. A system of case allocation will be established based on the order in which the request for the hearing is received from the Union President or in the order in which the cases arrive at the Office of Special Procedures, whichever is the earlier. For these purposes, the stamp of receipt of the Office of Special Procedures shall be used. The Union shall attach to the request a copy of the formulation of charges. Once the request for the hearing has been filed and the corresponding examining official is assigned, according to the order of the list, the UTIER and the Authority shall notify the official in writing of their designation to address the case in their representation. The Authority shall prepare the letter of designation for the signature of both parties and send it in hand with a messenger to obtain immediately (at that moment) the signature of the Union President, or one of the persons authorized to sign on his/her behalf.

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Section 7. If the guilt of the worker is not proven and if he/she has been temporarily suspended from employment and salary, he/she will be reinstated to his/her job and will be paid all wages for the time that he/she has been suspended. During the first eight (8) weeks, he/she will be paid, in addition, all those marginal benefits that would have been due to him/her if he/she had been working during the period of suspension, such as: payment of the meal period, differential pay, public holidays, and others.

In the case of temporary suspension of temporary workers and an order for their reinstatement in the job, the payment of salaries and marginal benefits shall not exceed the period of suspension included in their appointment.

Section 8. In those meritorious cases of past good conduct and years of service, the Executive Director may exercise his administrative clemency when enforcing the decision of the arbitrator or the examining official.

Section 9. Notwithstanding the foregoing, any case of alleged violation of the Rules of Conduct by one or more workers may be addressed and resolved by the supervisors of the Authority and the Union officials, without the need for a hearing by the arbitrator, except in cases of embezzlement, theft, escalation, misuse of funds of the Authority, or cases that, by provisions of law, the Authority is obliged to inform the Secretary of Justice and the Comptroller of Puerto Rico; as well as cases involving a violation of Article XIX of the Work-Related Accident Leave.

Section 10. No worker may be transferred for disciplinary action without a hearing. The Authority and the Union shall meet to discuss and agree on how to effect the transfer.

Section 11. The procedures established in this Article for ventilation and resolution of charges shall enter into force on the date of signature of the agreement and pending cases shall be continued to be ventilated and resolved according to the previous procedure.

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DISCIPLINARY STANDARDS  
January 1, 1950 (As amended)

RULES OF CONDUCT	FORMAL WARNING	SUSPENSION FOR 40 WORKING HOURS	SUSPENSION OF OCCUPATIONAL ACCIDENT LEAVE	SUSPENSION FOR 80 WORKING HOURS	DEFINITE SUSPENSION
1. Repeated tardiness, slacking, lack of interest or negligence in the performance of the duties of the job are not permitted.	First, Second, and Third time				Fourth time
2. Buying or selling on the premises of the Authority without prior permission is not permitted.	First time	Second time		Third time	Fourth time
3. Leaving the workplace during working hours without prior permission is not permitted.	First time	Second time		Third time	Fourth time
4. Failure to notify the supervisor of an absence as provided in the rules on absences is not allowed.	First time	Second time		Third time	Fourth time
5. Failing to follow the Safety Rules as stipulated by the Authority for each position is not permitted. If a supervisor requests an employee to perform work that involves an accident risk without providing the necessary precautions and safety measures, the employee may appeal the order to a higher supervisor so that	First time	Second time		Third time	Fourth time

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RULES OF CONDUCT	FORMAL WARNING	SUSPENSION FOR 40 WORKING HOURS	SUSPENSION OF OCCUPATIONAL ACCIDENT LEAVE	SUSPENSION FOR 80 WORKING HOURS	DEFINITE SUSPENSION
adequate safety measures may be provided, but if the higher-ranking supervisor considers them to be sufficient, the employee should not refuse to perform the job.					
6. Posting notices and circulating leaflets without prior notice is not permitted.	First time	Second time		Third time	Fourth time
7. Failing to report injuries on the job or not obeying the instructions of a doctor or nurse is not permitted.	First time	Second time		Third time	Fourth time
8. Failing to mark an employee's arrival and leaving the job times on the daily attendance sheet is not permitted.	First time	Second time		Third time	Fourth time
9. Money-lending business is not permitted.	First time	Second time		Third time	Fourth time
10. Participating in political activities and campaigns is not permitted.	First time	Second time		Third time	Fourth time
11. Disorderly conduct, roughhousing, etc. in working hours or on the premises of the Authority is not permitted.		First time		Second time	Third time
12. Threatening, indecent, and obscene language is not permitted.					

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RULES OF CONDUCT	FORMAL WARNING	SUSPENSION FOR 40 WORKING HOURS	SUSPENSION OF OCCUPATIONAL ACCIDENT LEAVE	SUSPENSION FOR 80 WORKING HOURS	DEFINITE SUSPENSION
13. Lack of attention nor negligence in responding to requests by the public is not permitted.		First time		Second time	Third time
14. Sleeping on the job is not permitted.		First time		Second time	Third time
15. Disposing of Authority property without express permission, whether moving it, abandoning it, transferring it, or taking it off Authority premises is not permitted.		First time		Second time	Third time
16. Refusing to follow orders to perform urgent work outside working hours without a valid explanation is not permitted.		First time		Second time	Third time
17. Improper use of Authority property, equipment, funds or services is not permitted.				First time	Second time
18. Insubordination is not permitted.				First time	Second time
19. Marking the entrance or exit time card of another employee is not permitted.				First time	Second time

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RULES OF CONDUCT	FORMAL WARNING	SUSPENSION FOR 40 WORKING HOURS	SUSPENSION OF OCCUPATIONAL ACCIDENT LEAVE	SUSPENSION FOR 80 WORKING HOURS	DEFINITE SUSPENSION
20. Reporting to work under the influence of intoxicating beverages or bringing or using them on Authority premises or on the job is not permitted.				First time	Second time
21. Failing to report any known illness, physical impediment or defect of the employee that could endanger the health or safety of co-workers is not permitted.				First time	Second time
22. Destroying, damaging or abusing Authority property is not permitted				First time	Second time
23. Disclosure of confidential information or data of the Authority is not permitted				First time	Second time
24. Falsifying or malicious alteration of Authority documents is not permitted.					First time
25. Fights or assault are not permitted					First time
26. Stealing from employees, the Authority or the public is not permitted.					First time

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RULES OF CONDUCT	FORMAL WARNING	SUSPENSION FOR 40 WORKING HOURS	SUSPENSION OF OCCUPATIONAL ACCIDENT LEAVE	SUSPENSION FOR 80 WORKING HOURS	DEFINITE SUSPENSION
27. Willfully obstructing or limiting Authority production or services is not permitted.					First time
28. Soliciting or accepting bribes or gratuities is not permitted.					First time
29. Concealing or misrepresenting facts or making false statements is not permitted.					First time
30. Abandoning work is not permitted. Requests for leave without pay shall be submitted two weeks in advance. Resignations shall be in writing at least two weeks in advance.					First time
31. Abandoning duties in working hours by employees who are depended on for service to the public or who are in charge of the custody or operation of Authority property or equipment without obtaining prior authorization to do so is not permitted.					First time

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RULES OF CONDUCT	FORMAL WARNING	SUSPENSION FOR 40 WORKING HOURS	SUSPENSION OF OCCUPATIONAL ACCIDENT LEAVE	SUSPENSION FOR 80 WORKING HOURS	DEFINITE SUSPENSION
32. Carrying firearms and handling explosives on Authority premises or on the job, unless related to work, is not permitted.					First time
33. Pretending to have an occupational illness or accident for the purpose of taking Occupational Accident Leave or engaging in compensated activities or work or performing work for a natural person or legal entity while on such leave is not permitted.					First time
34. Making improper use of Occupational Leave consisting of engaging in activities or work that is contraindicated by the State Insurance Fund or activities or work that negatively affect the recovery of the employee, and consequently delay the return to work, is not permitted			First time	Second time	Third time

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# DISCIPLINARY RULES RELATED TO TESTING FOR CONTROLLED SUBSTANCES

RULES OF CONDUCT	SUBMIT RO REHABILITATION PROGRAM	SUSPENSION 37 1/2 WORKING HOURS	SUSPENSION 75 WORKING HOURS	DEFINITE SEPARATION
35. Refusing to submit to testing.	First time		First time	Second time
36. Testing positive			Second time	Recidivist (third time)
37. Refusing to submit to the rehabilitation program				First time
38. Abandoning or not complying with treatment			First time	Second time
39. The introduction, possession, or sale of controlled substances on the premises of the Authority or the work place is not permitted				First time

## Notes:

1. The repeated violation of any one of these Rules of Conduct or several of them is evidence that the employee has not adapted to the job and does not perform his or her duties in a satisfactory manner. Therefore, any employee who receives five warnings, three suspensions or a combination of two warnings and two suspensions shall be definitely suspended from employment.
2. Any employee who as a consequence of a disciplinary proceeding has been given a warning or has been temporarily suspended from employment and pay, and who during a ten (10) year period after the imposition of the last disciplinary measure has not been the subject of another disciplinary measure nor in the process of such shall have the right to not having such disciplinary measures being considered for the purposes of the provisions of Note (1), of the Disciplinary Standards, dated January 1, 1950, in the Spanish version. This will be applicable also to the penalties that are established for cases of the illegal use of controlled substances.
3. In the event of any other inappropriate conduct that is not included in this list, corrective measures will be applied according to the importance and seriousness of the conduct.

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ARTICLE XLIV – OCCUPATIONAL HEALTH AND SAFETY (**Leave with pay is not recognized for Union representatives**)

Section 1. The Authority and the Union shall take the necessary and essential safety measures for the prevention of occupational accidents and diseases to ensure, as far as possible, the physical and mental health of all workers covered by this Collective Agreement.

The Authority, in turn, undertakes to distribute to each employee a manual containing the safety norms or rules applicable to their respective work areas (office workers, power generation plants,

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workshops, and field or line workers). These norms or rules shall be prepared and drafted using the laws and regulations approved by the Occupational Health and Safety Offices, at the local and federal levels, and those established by the Central Committee for Occupational Health and Safety, which is created later.

Section 2. The Authority and the Union agree to establish a Central Committee for Occupational Health and Safety (hereinafter Central Committee) consisting of four (4) representatives from the Authority and four (4) Union representatives composed of UTIER's Secretary for Health and Safety and one UTIER representative from each sector: office, power generation plant, and field. This Central Committee shall have the power to enact norms and rules on health and safety measures to avoid occupational accidents and diseases. These measures and standards shall be binding on both parties.

- A. The Central Committee may request information related to its objectives, carry out inspections at the premises of the Authority, and make recommendations for studies and others that it deems pertinent to minimize and prevent occupational accidents and diseases. Supervisors shall implement these recommendations within a reasonable time. If there is any inconvenience for it, they will submit a report explaining the situation to the Division Chief, with a copy to the Central Committee and the General Administrator of the Office for Occupational Health and Safety.
- B. The Central Committee shall hold two (2) ordinary meetings a month and such extraordinary meetings as it deems necessary to carry out its functions efficiently.
- C. The Central Committee shall receive a copy of the statistical reports of conditions served at the dispensaries of the Authority, and of all reports of serious and fatal accidents, no later than thirty (30) days after being prepared by the supervisors and the General Administrator of the Office for Occupational Health and Safety.
- D. The Central Committee will receive information on substances, materials, or equipment that involve a risk to health and safety

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- as established in the OSHO Hazard Communication Regulations and a copy of all health and safety procedures applicable to the work carried out in the Authority.
- E. The Central Committee will keep up to date on the most recent studies carried out on substances, materials, or equipment that involve a risk to the physical and mental health of workers, as well as everything related to personal protective equipment and engineering controls.
  - F. In the event of a serious or fatal accident, the General Administrator of the Office for Occupational Health and Safety will inform UTIER's Secretary for Health and Safety as soon as possible; likewise, he/she will notify in those cases in which he/she finds out first.
  - G. A Union representative in the Central or Local Committee may be called upon to participate as an observer, if so requested by him/her, in the investigations carried out by the Authority regarding a serious or fatal accident and to contribute any information that he/she knows.

Section 3. In order to help enforce and verify compliance with the rules and regulations established by the Central Committee, Local Health and Safety Committees will be established in Commercial Districts, Technical Districts and Subdistricts, Irrigation Districts, and Transportation Workshops. These shall be composed of one (1) representative of the Authority and one (1) representative of the Union, the latter being elected by the workers of the corresponding work center.

In the cases of the Power Generation Plants, the Local Health and Safety Committees will be composed as follows:

- 1. San Juan Power Generation Plant:  
Four (4) representatives from the Authority and four (4) Union representatives (one per sector), the latter elected by the workers themselves in the sectors of Operation and Conservation; Project Administration; Warehouses; and General Mechanical Workshop.
- 2. Palo Seco Power Generation Plant:

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- Four (4) representatives from the Authority and four (4) Union representatives (one per sector), the latter elected by the workers themselves in the sectors of Operation and Conservation; Project Administration; Warehouses; and Hydro and Gas.
3. Costa Sur Power Generation Plant:  
Five (5) representatives from the Authority and five (5) Union representatives (one per sector), the latter elected by the workers themselves in the sectors of Operation and Conservation; Project Administration; Warehouses; Hydro and Gas; and General Mechanical Workshop.
4. Aguirre Power Generation Plant:  
Three (3) representatives from the Authority and three (3) Union representatives (one per sector), the latter elected by the workers themselves in the sectors of Operation and Conservation; Project Administration; and Warehouses.
5. Combined Cycle:  
Three (3) representatives from the Authority and three (3) Union representatives (one per sector), the latter elected by the workers themselves in the sectors of Operation and Conservation; Project Administration; and Hydro and Gas.

In those work centers that are not mentioned in this section, the Central Committee will have the faculty to discuss and to decide the establishment of a local committee in the same.

Section 4. The Local Health and Safety Committees shall meet once a month to fulfill their purpose and propose to the Central Committee those measures necessary at the workplace level which, because of their particularity, are not covered by the Safety Rules or have not been adopted by the Central Committee.

Section 5. In cases in which there is no agreement between the parties regarding a measure, the Local Health and Safety Committee shall send the matter to the Central Committee so that it is the latter the one to finally determine the course of action to be followed.

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Section 6. Local Committee members shall have the opportunity to participate in all occupational health and safety seminars offered by the Authority or any institution providing such services to the Electric Power Authority. For these purposes, the members of the Local Committees must request and obtain the authorization of the General Administrator of the Office of Health and Safety.

Section 7. The Central Committee and the Local Occupational Health and Safety Committees shall govern their operation according to their respective internal regulations. Such regulations may only be amended by the Central Committee. They may not alter or modify provisions contained in the collective agreement.

Section 8. Supervisors shall be responsible for enforcing and strictly complying with the rules and regulations on the prevention of occupational accidents and diseases promulgated by the Central Committee.

Section 9. All workers shall ensure their individual safety and that of their co-workers and shall comply with all safety measures.

Section 10. The Authority shall perform all safety tests and shall procure all necessary equipment for the prevention of occupational accidents and diseases required by the Department of Labor.

Section 11. The Authority shall provide workers with the safety equipment required by the laws and regulations of the relevant agencies. It is understood that workers will be required to use the safety equipment provided by the Authority in their work.

Section 12. Workers shall be obliged to notify their supervisor and the Local Committee of all unsafe conditions which they know are likely to constitute a risk to the health and safety of workers.

Section 13. The Authority shall provide to the Central Committee a copy of the specific security procedures established to carry out the different tasks.

Section 14. When the Authority conducts tests or medical examinations required by the OSHA Act on workers, a document shall be provided for them to authorize and specify with a date what is required to

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forward a copy to the Union. This Authorization will be required at each medical examination and copies of these documents will be sent to UTIER's Secretariat for Occupational Health and Safety not later than 30 days from the date of notification.

#### ARTICLE XLV - GENERAL DISPOSITIONS

Section 1. In order to maintain the good relations that must exist in the work, a mutual respect between the workers and the representatives of the Authority will be observed.

Section 2. In case of absence, the worker will inform his/her immediate supervisor and the Union representative in his/her Department by the means available to him/her within the next twenty-four (24) hours. No worker shall be deducted from his salary the amount of an excused absence, unless said worker does not have accumulated vacation time.

Section 3. For the brigade workers who do not have a fixed or defined job site, their hours begin to count from the moment they leave for the assigned place and end at the time they return to the starting point. The additional time that elapses outside of their regular schedule will be compensated to double the regular salary rate.

Section 4. All workers employed by the Authority in regular work at Operations and Maintenance must first undergo a medical examination, except in cases of emergency.

Section 5. When the need to work overtime arises, the staff of the affected section will be used by rotating the same among all workers in that section.

Section 6. When the Authority requires the services of any worker covered by this Agreement to perform work for other entities outside the Commonwealth of Puerto Rico, its regular salary rate shall be increased during his/her period outside the Commonwealth by twenty-five percent (25%) and, when working for the Authority itself outside the Commonwealth, the increase will be twenty percent (20%). The per diem allowances to be received by the worker during this period will be discussed between the Authority and the Union together with

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the worker before using his/her services. If it is determined that any item of expenditure was not correctly fixed and the worker presents evidence to that effect, the Authority will pay the worker the amount owed for that item.

Section 7. In those towns or cities where Municipal Ordinances apply to parking, the Authority will negotiate with the relevant authorities the corresponding permit so that vehicles used to restore service in the event of a fault can be parked in prohibited areas if necessary, for as long as they need to restore those services.

Section 8. In all facilities of the Authority where feasible, the Union may install, in mutual agreement with the Authority, a bulletin board to place its notices, calls, announcements, etc.

Section 9. When a non-regular worker in operation and maintenance is to be considered as an eligible candidate for probationary appointment or when a regular or special regular worker attends a physical examination by orders of the Authority, the time necessary for the round trip will be considered as worked time and he/she will be paid the transportation expenses and per diem allowances to which he/she is entitled. If the worker is hospitalized for such medical examination, he/she shall take advantage of the plan provided by the Authority for the hospitalization, medical services and dispensary services; and any payment required by the hospital or the physician on the basis of such medical examination shall be paid by the Authority. In case of being hospitalized, the worker will also be entitled to the payment of seven and a half (7½) hours at his regular salary rate for each day of hospitalization, excluding days off from his work schedule, with no charge to his vacation accruals.

Section 10. The Union may complain for justified reasons to the Authority for the actions of any of its representatives. Upon receiving the complaint, the Authority will investigate it as soon as possible, taking into account any evidence presented by the Union. If the complaint is justified, the Authority will issue charges to the employee and, if found guilty, it will impose appropriate corrective measures. The Authority shall inform the Union of the outcome of the investigation and the action taken by the Authority.

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Section 11. The Authority agrees to recommend to the Retirement System that it deducts the corresponding monthly payments of retired workers who wish to continue to be covered by the hospitalization and dispensary services.

Section 12. The Authority shall pay to Channel Operators I, Channel Operators II, and Channel Cleaners who occupy regular positions those transportation expenses incurred in making the route of their channel sections, which have been fixed to forty-five dollars (\$45.00) per month. Such employees shall not be entitled to payment of these expenses when they are absent on unpaid leave for more than fifteen (15) consecutive days within one (1) calendar month.

Section 13. The Authority shall provide, with no charge, six (6) uniforms or work clothes, once a year in June, to those regular workers that the Authority determines should be in uniform for the performance of their duties and responsibilities, which will be used exclusively during regular hours of work in their official duties.

Section 14. Workers Used in the Cleaning and Conservation of Irrigation Channels

- A. Workers who are regularly used to clean and maintain the channels of the Irrigation Systems of the southern coast, the Irrigation System of Isabela, and the Irrigation and Drainage System of the Lajas Valley shall have regular appointments. These workers, as well as non-regular workers included in the appropriate unit and used by the Authority in these activities, shall be covered by the provisions of this agreement, except as provided herein.
- B. Those regular workers covered by item A of this Section who approve the medical examination required by the Authority may prospectively become members of the Employee Retirement System of the Electric Power Authority subject to the provisions of the Regulation of said Retirement System. Every worker covered by item A of this Section that is extended regular appointment will be obligated as a condition of employment

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- to belong to the Retirement System of the employees of the Electric Power Authority.
- C. For regular workers covered by item A of this Section who are part of the conservation brigade within an assigned work zone and are regularly transported in Authority vehicles to a work site, their regular work schedule will begin at 7:00 a.m. and will end at 3:00 p.m. or at the designated times and will be granted a meal period of one (1) hour with no pay. The transportation time from the local office or meeting site to the workplace and vice versa will be included within the regular work schedule.
- D. The Authority will provide the routine implements for channel cleaning and the workers will be responsible for them.

Section 15. Considering the nature of the services provided to this Authority by the Powerline Technicians, the Executive Director shall proclaim the second working Friday of the month of February each year as the day of the Powerline Technician. Except in cases of emergency and in those cases in which the services of the technician are indispensable, these workers will be authorized to attend from 12:30 p.m. to 4:00 p.m. of that day to the acts to be held in their honor in the different dependencies of the Authority.

Section 16. The Authority shall provide the worker with the equipment deemed necessary to carry out his/her duties and he/she shall sign a receipt, and shall undertake to return said equipment or, otherwise, shall be obliged to pay for the same when he/she ceases to be employed, is transferred to another place and does not return it, or loses it. The change, return or transfer, and reimbursement of tools or lost equipment shall be carried out in accordance with the established procedure.

Section 17. In cases of hurricanes, earthquakes, or casualties, if regular workers available were not sufficient to address the emergency and the Authority was obliged to employ temporary workers for said emergency, a regular working day of eight (8) hours with a meal period of one (1) hour with no pay and a regular work schedule of forty (40) hours per week may be established for such temporary and emergency workers.

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Section 18. The parties undertake to discuss and approve security measures for the payers, which shall enter into force no later than sixty (60) days from the date of signature of the agreement.

Section 19.

- A. When a worker is interested in making use of the services provided by the Worker's Social Work Program established by the Union, he may request for this purpose time charged to his/her annual vacation leave.

This absence shall be coordinated with not less than twenty-four (24) hours in advance between the Program officers and the direct supervisor of the worker. These officers will certify the time of arrival and departure and the worker will deliver this certification to his/her supervisor upon return to work.

The supervisor may grant leave taking into consideration the length of the absence, as well as the need for the services of the employee on the job site. If it is not possible to grant the absence as requested, the supervisor will make arrangements to grant it as soon as circumstances permit.

- B. The Authority shall grant three (3) members of the Board of Directors of the Worker's Social Work Program one day per month up to a maximum of seven and a half (7½) working hours for the Board to meet at its headquarters. The time thus used will figure in payroll with the symbol of "V".

This absence shall be coordinated with not less than twenty-four (24) hours of anticipation between the Program officers and the direct supervisor of the employees. These officers will certify the time of arrival and departure and the worker will deliver this certification to his/her supervisor once he/she returns to work.

The supervisor may grant leave taking into consideration the length of the absence, as well as the need for the services of the employee on the job site. If it is not possible to grant the absence as requested, the supervisor will make arrangements

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to grant it as soon as circumstances permit.

Section 20. Powerline Technicians working in brigades will not be required to have a motor vehicle driver's license for appointment or promotion.

#### ARTICLE XLVI – ATTENDANCE AND PRODUCTIVITY BONUS

Section 1. The Authority will grant an Attendance and Productivity Bonus of up to \$400.00 to the regular and special regular workers of the powerline conservation area and the power-generation plant conservation workers that would have been employed at the close of the fiscal year and that had completed at least six (6) months of service as such at that date.

Such bonus will be paid in the first fourteen-day (14-day) period of July for each effective year of the Agreement.

Section 2. In order to be entitled to such bonus, the employee will be evaluated by the Authority in the performance of his/her functions and duties twice a year, taking into account the following factors: attendance, punctuality, productivity, efficiency, order, discipline, and performance standards. In the evaluation, the worker must obtain a rating not less than satisfactory.

The Authority shall establish a procedure for carrying out such an evaluation based on the above criteria. It will contain an appeals process.

The evaluation procedure used for the granting of this Bonus will be applicable solely and exclusively for the intents and purposes of this article. The fact that the employee has not been granted the Attendance and Productivity Bonus does not mean that the employee has violated the Rules of Conduct.

Section 3. At the end of each year during the term of this Collective Agreement, the Authority shall evaluate the improvement in attendance and productivity with a view to determining the desirability of extending this benefit to other employees of this appropriate unit.

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#### ARTICLE XLVII - COMPLIANCE WITH THE AGREEMENT

The parties note that the conversations for the negotiation of this Collective Agreement were conducted on a level of reasonableness making possible the satisfactory understanding between the parties, which has undoubtedly resulted in more cordial relations.

In the same spirit of understanding and to maintain the achievements obtained and with a clear understanding of the responsibilities contracted by each one of the parties, they mutually agree that, during the term of this Agreement, they will faithfully comply with each and every one of its dispositions and, in case of claims or controversies, they will exhaust all means provided in this agreement.

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#### ARTICLE L - DURATION OF THE COLLECTIVE AGREEMENT

The parties agree that this Collective Agreement **will be effective from August 24, 2008 through August 24, 2012.**

**This Agreement will continue in force for subsequent years, with all its properties, unless one of the parties notifies in writing to the other its desire to modify it no later than (8) months before its expiration. At the latest thirty (30) days after such notification, the party wishing to amend the Convention shall submit in writing to the other party the amendments to be discussed. The parties further agree that, should there be interest in amending the Agreement, they should begin negotiations no later than thirty (30) days after the written amendments are submitted. The parties finally agree that the provisions of the Collective Agreement for the period from August 24, 2008 through August 24, 2012 will continue in force with all their properties until a new Collective Agreement is negotiated and until the date in which the new provisions become effective.**

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**Exhibit D**

**UEPI CBA**

(COPY)

# COLLECTIVE AGREEMENT

UEPI-PREPA

2007-2010

Courtesy of Efraín Colón Ocasio

## STATEMENT OF PRINCIPLES

The object of the parties to this Agreement is to establish a Collective Agreement to govern labor-management relations between professional employees and the Authority; to establish an agreement regarding pay scales, work hours, preventing occupational accidents and illnesses, and other terms of employment; and, lastly, to provide means for amicable resolution of disputes and grievances arising during the term of this Agreement to ensure labor peace, promote the progress of the industry, the Authority and the people of Puerto Rico, and improve professional employees' financial and social conditions.

## CONTRACTING PARTIES

### APPEARING

THE FIRST PARTY: The Puerto Rico Electric Power Authority, or its successors, subsequently referred to as the "Authority", herein represented by its Executive Director by virtue of the powers conferred by Resolution No. 1559 of the Authority's Governing Board;

THE SECOND PARTY: The Union of Independent Professional Employees, subsequently referred to as "UEPI" (according to its Spanish initials), herein represented by its signatory officers.

The Parties hereby agree as follows:

## ARTICLE I – UNION ACKNOWLEDGMENT

The Authority hereby acknowledges the UEPI as the exclusive representative for the purpose of collective bargaining with respect to pay scales, work hours and other terms of employment of all professional employees constituting the Appropriate Unit as defined in Article III of this Collective Agreement.

## ARTICLE II - RIGHT TO MANAGE THE COMPANY

The Authority retains exclusive control over matters relating to company operations, management, and administration to the extent that such control has not been expressly limited by the terms of this Agreement.

Examples of such matters are:

1. The right to the administration and management of the Company, its divisions, departments, sections, and other work units.
2. The right to establish the organization, work methods and systems and to set and assign work schedules.

3. The right to direct, regulate, supervise and schedule workers' duties.
4. The right to employ, train, transfer, discipline, suspend and dismiss its employees.
5. The right to establish new jobs or positions, abolish or modify existing positions and increase or reduce their number. The procedure established in Article XV of this Agreement, Employment Stability, will be followed in relation to staff reductions.
6. The right to establish the duties and requirements for each and every position, as well as to determine the qualifications necessary to perform certain functions. The Authority shall submit information regarding amendments to the duties and requirements of the Appropriate Unit classes to the UEPI President for evaluation and recommendations. The Head of the Personnel Division may change or modify the duties and requirements of existing positions and shall notify the Union as soon as possible. In exercising this prerogative, professional employees shall not be assigned duties outside the Appropriate Unit.
7. The right to determine the form, manner, systems or methods in which the company, its divisions, departments, sections and other work units shall operate or cease to operate.
8. The right to introduce new methods or systems and improve existing ones, change or improve existing facilities, as well as to determine the equipment to be used in its operations or in the performance of any work.
9. The right to exercise all functions inherent to the administration and/or management of the business.

The aforementioned rights shall be exercised for economic and administrative purposes and not to discriminate against the UEPI or any of its members.

### ARTICLE III - Appropriate Unit

Section 1. The Appropriate Unit covered by this Agreement is the one certified by the Puerto Rico Labor Relations Board under case number 71-112-P-2792, dated July 21, 1971, consisting of all the professional employees used by the Authority.

The following categories of staff are excluded from the Appropriate Unit: executives, supervisors, confidential employees, employees closely allied to management,



professional employees whose jobs or positions present potential conflicts of interest with those of other members of the various appropriate collective bargaining units already established within the Authority, and any other persons with powers to hire, dismiss, promote, discipline, or otherwise adjust the status of employees or make recommendations to that effect.

Also excluded from the Appropriate Unit are personnel employed by the Authority to perform duties under the Student Employment Program during their summer vacation.

Section 2. The Authority may not assign duties outside the appropriate professional unit to any employee covered by this Agreement, unless the Authority has awarded them a position outside the Appropriate Unit or has given them a temporary replacement appointment. The temporary substitution shall satisfy the following conditions:

1. The employee's prior written consent.
2. The Authority and the UEPI President, or their delegate, shall meet, draw up and sign a protocol. The temporary replacement appointment shall be submitted to the Personnel Division by means of the Personnel and Payroll Action Request and copy of the meeting minutes for processing.
3. The assigned salary will be set in accordance with management guidelines for assigning salaries to employees coming from the Appropriate Units.
4. The temporary substitution shall be for a period not exceeding ninety (90) working days.
5. The intention of this article of the collective bargaining agreement is clear and contemplates the participation of the parties involved in the process to decide whether or not to justify the renewal of such temporary substitution. In exceptional cases in which the need for temporary substitution persists, the Authority and the UEPI President, or their delegate, shall meet to determine the extension of such period. It is stipulated that if the Union does not agree with the extension of such temporary substitution, it shall present the grounds for its determination.
6. The employee shall exclusively perform the duties of the managerial position for the duration of the temporary substitution, except for the responsibilities of investigating, formulating, and serving corresponding charges for violations of the Rules of Conduct to any member of this Appropriate Unit.

7. In accordance with this section, when a temporary replacement managerial appointment is extended to a professional employee, the position that the employee previously held shall be filled by temporary replacement, as set forth in Article X, Classifications, Section 7 of the UEPI Collective Agreement.

Section 3. The Authority's supervisory staff shall not perform the duties of the Appropriate Unit unless the following situations are present:

1. It is an urgent, unforeseen, and indispensable situation.
2. The supervisor has exhausted all available resources to secure available unionized professional staff to perform the necessary tasks.
3. The task to be performed does not exceed twenty percent (20%) of the daily work performed by the supervisor, provided that this does not constitute a practice or routine.

Section 4. No professional employee included in the Appropriate Unit may be transferred to a position outside that unit without their consent. The Authority shall give sufficient advance notice to the UEPI before offering the professional employee such a position.

The Authority shall forward to the UEPI a copy of any personnel action affecting a professional employee included in the Appropriate Unit.

When a professional employee is selected to fill a position outside of the Appropriate Unit, the notice of personnel action effecting the change shall be processed within thirty (30) days from the date they start to perform the duties of the position to which they were appointed.

#### ARTICLE IV - SUBCONTRACTING

During this effective term of this Agreement, the Authority may not subcontract work, tasks or functions of the Appropriate Unit, as defined in Article III of the Collective Agreement, if same affects the employment stability of the workers covered by this Agreement.

In the event that the Authority needs to subcontract, it shall notify the Union in writing no less than 30 days prior to the subcontracting, except in cases of force majeure or unforeseeable situations beyond the Authority's control, in which case notice shall be given not later than 24 hours after subcontracting.

Under regular circumstances, the purpose of the notice will be for the parties to meet to discuss the reasons that may justify the subcontracting and to verify that the subcontracting will not affect the stability of the workers covered by this Agreement.

In the absence of agreement between the parties regarding the presence or absence of circumstances justifying subcontracting, the Union shall immediately request and the Authority shall agree to submit the matter to an arbitrator appointed by the Secretary of Labor for consideration.

This shall not prevent the Authority from subcontracting the work or task if deemed urgent and necessary for the best and most efficient public service.

If the Arbitrator determines that the Authority has subcontracted in violation of the provisions of this Article, the Arbitrator shall order the Authority, if it has subcontracted, to compensate the Union with an amount equivalent to fifteen percent (15%) of the cost of labor incurred by the subcontractor for the work performed, which the parties hereby set at fifty percent (50%) of the total cost of the work for the purposes of this compensation.

Should the Authority find itself needing to subcontract the Appropriate Unit's tasks because there is no personnel available to perform the tasks, it shall verify that there is no regular staff who has been dismissed or suspended from the UEPI and who is trained and qualified to perform such work. Where such staff are available, the Authority shall employ them on a priority basis to carry out the work.

The terms "subcontracting" and "subcontract" in this Article shall be deemed to include, without limitation, any formal contract, service order, oral or written subcontracting agreement, if the tasks pertain to the Appropriate Unit as defined by the parties in Article III of this Agreement.

#### ARTICLE V - UNION SECURITY

Section 1. As a condition of employment, all professional employees covered by this Collective Agreement who are UEPI members as of the signing date of this Collective Agreement are required to remain current with the payment of dues and to maintain their bona fide UEPI membership.

Section 2. As a condition of employment, all professional employees who are not UEPI members as of the signing date of this Agreement, or employees who become members of the Appropriate Unit after this date, shall be required to immediately join the UEPI, remain current with the payment of their dues and retain their bona fide membership in the Union.

Section 3. The Authority shall forward a copy all new professional employees' appointment letter to the UEPI President no later than fifteen (15) working days from the day they start work.

Section 4. The Authority shall place any professional employee covered by this Collective Agreement who fails to join UEPI on suspension without pay. It shall also suspend without pay any employee who is suspended from UEPI membership for non-payment of initiation and uniform dues

within ten (10) working days of a written request for suspension from the UEPI along with evidence submitted to that effect.

Section 5. If a bona fide UEPI member loses membership status for reasons other than non-payment of dues, the UEPI shall send written notice to the Authority indicating the reason. In such case, the Authority shall conduct an investigation and, if it finds that the employee's exclusion from UEPI membership is justified and lawful, it shall proceed to suspend that employee's without pay. In the event that the Labor Relations Board, a court or a competent agency orders the reinstatement of a professional employee so suspended or separated, the UEPI shall compensate such employee and/or the Authority for any back pay or damages ordered.

#### ARTICLE VI - DEDUCTIONS OF UNION DUES

Section 1. The Authority agrees to deduct initiation and fixed recurring dues set by the UEPI from the compensation earned by professional employees of the Authority who are UEPI members.

Section 2. The total amount so deducted shall be forwarded to the UEPI Treasurer within ten (10) working days of the date payment is made to the professional employee together with a list of the professional employees from whom the deduction has been made.

The Authority shall be liable for any dues it fails to deduct from any employees who are members of the Appropriate Unit.

Section 3. The UEPI shall submit to the Authority's Treasurer evidence that the custodian of the Authority's funds is covered by a guarantee.

#### ARTICLE VII - LABOR PEACE

This Agreement is entered for the purpose of stimulating and achieving continuous progress in improving relations between the Authority and the professional employees it employs and who are represented by the UEPI. With this purpose in mind, the Parties commit to settling any complaints, disputes or claims that may arise in connection with this Agreement's interpretation and application through the mechanisms created therein.

#### ARTICLE VIII – COMMITMENT TO FAITHFUL EXECUTION

Section 1. The UEPI and its members agree that during the effective term of this Agreement they will not declare, sanction, or support partial or total strikes of any kind against the Authority;

they shall not carry out, sanction, or support work slowdowns or picketing on the Authority's premises, and the UEPI shall neither intervene nor permit professional employees to engage in acts which impede any of the Authority's activities until all remedies provided by this Agreement and the Labor Relations Act have been exhausted.

Section 2. The Authority undertakes not to use the lockout remedy against the UEPI or members of the Appropriate Unit.

#### ARTICLE IX - GRIEVANCE RESOLUTION AND ARBITRATION PROCEDURE

Section 1. During the term of this Agreement, the UEPI agrees to submit all complaints, grievances, disputes, or claims arising in connection with the interpretation, implementation, administration, and application of this Agreement to the Grievance Resolution and Arbitration Procedure created in this Article.

Section 2. The affected professional employee and/or their representative shall submit the grievance in writing to the first level of responsibility no later than forty-five (45) working days after the date on which the action giving rise to the grievance occurred.

Section 3. Levels of Responsibility

First Level:

The first level of responsibility is the respective Division Head, General Manager or Regional Manager or the person delegated by them, and the UEPI President or delegate. In certain meritorious cases, the UEPI may request a meeting. In such cases, the Division Head, General Manager or Regional Manager, or delegate shall hold the meeting and issue a written determination on the grievance in question within twenty-five (25) working days from the date when the written grievance is received from the affected employee and/or their representative.

In all cases if the Division Head, General Manager or Regional Manager delegates to another supervisor, the supervisor shall have full and exclusive responsibility to hear the complaint and the decision of the supervisor shall be final for the purposes of the Authority at this level.

Second Level: Labor Relations Division

If the UEPI President or the individual is acting in this capacity disagrees with the determination from the first level of responsibility, they may notify the Head of the Labor

Relations Division in writing within fifteen (15) working days of receiving same of their interest in discussing the grievance with the Head of the Labor Relations Division or their delegate. Said notice shall also set forth the reasons for disagreeing with the first level decision and a summary of the facts of the matter. The Head of the Labor Relations Division or delegate may hold a meeting to discuss the grievance if believe that the nature of the dispute makes it healthy to discuss same.

Upon receipt of this request, the Head of the Labor Relations Division or their delegate shall have twenty (20) working days to notify the UEPI President of the Authority's position. In the absence of any reply from the Authority within the above time frame, the decision taken at the first level of responsibility shall be deemed confirmed. In such case, the UEPI President shall have ten (10) working days thereafter to notify the Head of the Labor Relations Division of the intention to submit the grievance to arbitration, or the case shall be deemed decided in the Authority's favor. If written notice is received by the Authority, the period of ten (10) working days shall commence upon receipt of the notice. Notwithstanding the foregoing, the UEPI reserves the right to resort to the third level of responsibility without waiting for the Labor Relations Division to issue its decision.

Third Level:

If the UEPI President disagrees with the determination of the first level of responsibility in cases of grievances which do not go to the Head of the Labor Relations Division, the UEPI President must notify the latter in writing within ten (10) working days of receipt of such response of the intention to submit the grievance to arbitration, or the case will be deemed terminated. Where this intention is communicated, the case will be submitted to an arbitrator to determine the final resolution of the dispute.

Section 4. Designating an Arbitrator

The arbitration procedure shall be in accordance with the rules of the Conciliation and Arbitration Office of the Department of Labor and Human Resources.

Section 5. This decision shall be in accordance with the law and the Collective Bargaining Agreement and shall be final and binding on the parties and shall state the grounds on which it is based.

Section 6. If the corresponding grievance or appeal is not submitted within the deadlines indicated at each of the levels of responsibility, the Authority's decision shall be deemed to have prevailed.

Section 7. The resolution of the grievance at any level of responsibility shall be final and binding on the parties.

Section 8. Should a grievance arise that requires urgent resolution for the good of the professional employees and the service, the parties may, by mutual agreement, move ahead through the levels of responsibility set forth in this Article.

Section 9. Conciliation Committee

The purpose of this Section is to create a mechanism to resolve labor-management relations issues. The Conciliation Committee shall consist of three UEPI representatives (President, Vice-President and an Officer appointed by the Union); and three representatives from the Authority (the Head of the Labor Relations Division, or delegate; the Manager of the Collective Bargaining and Counseling Department; and a representative of the Authority).

Any of the parties may convene this Committee whenever deemed necessary and no more than once a month. The interested party shall notify the other party in writing of its intention to meet. Said communication shall contain the specific matters to be discussed at the meeting.

The aim of convening this Committee is to promote communication and participation of the parties in reaching possible solutions to specific situations involving labor-management relations, as well as to facilitate and explore options to achieve mutually acceptable results pursuant to the provisions of the extant Collective Agreement. It is hereby stipulated that this process may be used to discuss any case heard within the Procedure referenced in this Article, which shall neither interfere with nor halt the procedural deadlines for the Levels of Responsibility.

In the event that the parties resolve the dispute, minutes of the meeting shall be taken. This communication shall contain the agreements or decisions reached, which shall be final and not subject to appeal. It is understood that these shall not establish precedents for present or future cases.

The Conciliation Committee shall not have the power to alter, modify, add, or delete contractual articles of this Agreement.

## ARTICLE X — CLASSIFICATIONS

Section 1. Classification Types

Professional employees included in the Appropriate Unit are classified as regular, temporary, and emergency.

Section 2. Regular Professional Employees

Regular professional employees are those who receive a permanent appointment from the Executive Director or authorized representative to fill a regular position. A regular position is one that arises from a continuous need and is permanent in nature.

Section 3. Conditional Regular Positions

A. Conditional regular professional employees are those who receive a conditional regular appointment from the Executive Director or authorized representative to fill a conditional regular position. Conditional regular positions are the following:

1. Regular positions that become vacant when a regular professional employee is assigned to receive training for promotion to a higher position with duties of a different nature from those of the position held.
2. Regular positions that become vacant when the incumbent holding the position has been called up to active duty in the Armed Forces of the United States of America for one (1) year or more.
3. A newly created position determined by the Authority and the UEPI President that arises from a need that is not permanent in nature, but which does not need to be extended for more than one year, not to exceed three (3) years. The Authority and the UEPI President will meet within thirty (30) calendar days of the end of this three (3) year period to determine whether the position should continue to be conditional. Should the parties determine that the need for the position will continue beyond a maximum of three (3) years, the Authority will eliminate the conditional nature of this regular position.
4. When the partial disability of a regular professional employee is of a temporary nature and of prolonged duration and requires a change of position in order to reinstate said professional employee, such employee shall be assigned with priority to fill a vacant or newly created position for which they are qualified and able to perform satisfactorily despite their disability. This position will be offered to the professional employee without being advertised, and the appointment will be conditional upon reinstatement. Appointments of other professional employees as a result of the assignment of such professional employee shall also be conditioned upon reinstatement. The conditional appointments will be terminated if a physician subsequently certifies that the partial disability has become permanent.



The foregoing is subject to the provisions of Article L, Special Working Conditions, Section 7.

- B. When the Authority has the need for any other reason to make a vacant or newly created position conditional, it shall give prior notice to the President of the Union indicating the reasons for making the position conditional.

Section 4. Temporary Professional Employees

Temporary professional employees are appointed by the Authority's Executive Director or authorized representative to perform work for the Appropriate Unit for a defined period of time. It is stipulated that any temporary professional employee who works continuously for the Authority in activities covered by this Agreement for nine (9) calendar months shall be given a regular appointment to a vacant position, provided the employee fulfills all the requirements of the position. If the employee holds a position in a serial class, they will be appointed at the first level of recruitment. If there is no vacancy, the Authority shall create a vacancy in accordance with the title, classification at the recruiting level, duties and requirements corresponding to the duties performed by the temporary professional employee at that time.

The Authority shall send a copy of any appointment involving a temporary professional employee to the Union no later than fourteen days following such appointment.

Section 5. Emergency Employees

Emergency employees will be appointed as such within the Appropriate Unit for a period not exceeding ninety (90) calendar days. If the emergency exceeds the set period of ninety (90) calendar days, the employee shall be given a temporary appointment at the expiration of this period.

An emergency is understood to be a disaster caused by nature or some internal situation or irregularity within the Authority's property that places services in imminent danger.

The following situations shall not be deemed emergencies:

1. Work or duties to be performed when replacing absent professional employees.
2. Work or duties to be performed while performing the duties of a regular vacant position while a candidate is being selected to fill it.
3. Work or duties to be performed to catch up with accumulated work.

4. Work or duties to be performed to carry out technical or other studies.

Section 6. Probationary Period - Temporary Professional Employees

- A. Temporary professional employee who is awarded a regular position shall receive an appointment as a probationary professional employee for three (3) months. To proceed with said appointment, the temporary professional employee must pass the approved examinations and satisfy the minimum requirements of the position.
- B. A professional employee with a probationary appointment who satisfactorily performs the duties and responsibilities of the position held during this period shall be appointed as a regular professional employee immediately following the end of said period.
- C. At any time within the probationary period and no later than thirty (30) calendar days prior to the expiration of this period, if the supervisor deems a professional employee's services unsatisfactory, the supervisor shall notify the UEPI President stating the reasons for the evaluation. If the supervisor's position is upheld, the employee's appointment will be terminated.
- D. A temporary professional employee who receives a probationary appointment shall be paid the salary assigned to the starting salary of the occupational group of the position for which they are appointed. In the event of a probationary appointment to fill a vacancy equivalent to or below the vacant position of the duties temporarily performed for more than six (6) consecutive months, upon probationary appointment, the salary for the first merit step of the occupational group of the position to which the employee is appointed shall be awarded.

Section 7. When the Authority needs the duties of a higher classification to be carried out within a Department, preference shall be given to qualified regular employees who are eligible for promotion within said Department. In situations if there is a need to perform duties of lower classification, same will be covered by temporary workers for the necessary time.

Section 8. Merit step in the Event of Permanent Appointment

Professional employees who receive a permanent appointment shall be paid the salary assigned to the first merit step of the occupational group of the position to which they are appointed.

## ARTICLE XI - WORK SCHEDULES

### Section 1. Working day

The working day shall consist of any period of twenty-four (24) consecutive hours counted from the time the professional employee begins work and ending twenty-four (24) hours thereafter.

### Section 2. Daily workday

The workday consists of the working hours during which the regular hourly wage rate set in accordance with the annual or hourly compensation, as the case may be, applies, and consists of seven and a half (7½) hours per day.

### Section 3. Workweek

The workweek shall consist of any period of seven (7) consecutive days to be counted from the time and day the work commences. The first five (5) days will be working days and the last two (2) days will be days off. The Authority shall notify the Union of changes affecting the workweek, for information purposes only.

### Section 4. Rotating Shift and Fixed Shift Schedules

#### A. Rotating Shifts

Rotating shift schedules shall consist of five (5) consecutive days of work at the rate of seven and one-half (7½) consecutive hours per day and two (2) days off.

#### B. Fixed Shifts

Shifts that are not rotating shifts, i.e., fixed shifts, will be adjusted to five (5) consecutive workdays and two (2) days off.

### Section 5. Change of Rotating Shift Schedule

When the work schedule of a regular professional employee who has been assigned to a rotating shift is changed, such employee shall be paid double the regular pay rate including base pay for the hours worked on the first day of work following the change, except in cases if the professional employee has taken the two (2) days off, is returning from vacation or has been transferred.

### Section 6. Meal Break

A. The regular working day shall be interrupted for meals and this interruption shall be for one (1) hour, which may be increased by the Authority up to a maximum of one and a half (1½) hours. This break shall be allocated at the end of the fourth hour and no later than the end of the fifth hour. If a professional employee is required to work during the meal break set by the Authority, the time so worked shall be compensated in accordance with Article XVII of this Agreement.

This time shall be taken into consideration in determining the time worked in excess of the regular workday as stipulated in Article XVII of this Agreement.

- B. When a professional employee is required to work during the meal break, the Authority shall grant the employee an indispensable meal break which shall not exceed a half (1/2) hour which includes that part of the meal break not worked. This break shall be granted no later than the end of this meal break, and where this indispensable time is not granted, the professional employee shall be paid additional compensation which shall be equivalent to one (1) hour of work at the rate of the regular pay rate.
- C. In the event that a regular professional employee is absent from work after having worked during the meal period and does not work the full regular workday, the time absent from the regular workday shall be charged to the corresponding leave balance and the time worked during the meal break shall be paid in accordance with the foregoing.
- D. When a professional employee is required to continue working without interruptions following the end of the employee's regular workday, the employee shall be granted a half (1/2) hour meal break at the end of the fifth consecutive hour of work. If an employee is not granted a meal break, the procedure shall be in accordance with the provisions of Paragraph B of this Section.
- E. When a professional employee is required to work two (2) hours or less following the end of the regular workday, the meal break shall be waived.

Section 7. Refreshment break

- A. When possible, the Authority will grant professional employees fifteen (15) minutes during the morning and fifteen (15) minutes during the afternoon to take refreshment. These fifteen (15) minutes shall be granted in shifts in such a way as not to unduly disrupt the work tasks or work location.
- B. For all purposes, the refreshment break shall be considered as time worked.

## ARTICLE XII - TIME IN SERVICE (SENIORITY)

### Section 1. Time in Service Recognition

Professional employees covered by this Collective Agreement shall achieve time in service (seniority) recognition from the date they began uninterrupted employment with the Authority.

### Section 2. Time in service (Seniority) List

- A. Within sixty (60) working days of the signing of this Agreement, the Authority shall send the UEPI President a list containing the names of all professional employees covered by this Agreement and the date that each began employment with the Authority.
- B. Professional employees will be removed from the time in service (seniority) list and will lose all rights under the following circumstances:
  - 1. When resigning from employment with the Authority.
  - 2. When a regular professional employee is separated from service due to workforce reduction and is not replaced by the Authority as a professional employee within one year from the date of separation from service.
  - 3. When a professional employee is dismissed for disciplinary reasons.
  - 4. Pursuant to statutory provisions in force, when professional employees called up to serve in the Armed Forces and if, following this period, they voluntarily request to remain for periods subsequent to the mandatory period in active military service and this request is granted.
  - 5. When a temporary professional employee covered by this Agreement separates from service and is not replaced within ninety (90) calendar days from the date of separation from service.

## ARTICLE XIII - VACANT OR NEWLY CREATED POSITIONS

Section 1. When filling a vacant or newly created regular position, preference shall be given to the professional employee who is best qualified by academic preparation, training, and previous related experience to perform the duties of the position, provided that the employee applies in writing within the posting period and fulfills all the requirements. If there is more than one equally qualified candidate, the professional employee with the longest service with the Authority shall have priority.

### Section 2. Vacancy Postings

- A. Vacant positions will be posted throughout the Authority in the Spanish language specifying the position requirements. Vacant or newly created positions shall be

posted for ten (10) working days. The Authority shall notify the UEPI President of any vacancies posted that fall within the Appropriate Unit as of the posting date. The Head of the Personnel Division shall send a quarterly list of vacant and occupied positions of said Appropriate Unit to the UEPI in digital format (CD) and in writing.

When a vacant regular position has been temporarily occupied for a term of thirty-five (35) working days, the Authority shall be required to post and fill such vacancy, in accordance with the provisions of this Article. Once a position is posted, the requirements of the position may not be changed by the supervisor during the position posting and appointment process.

B. Appointment of Professional Employees outside the UEPI Appropriate Unit:

1. When the Authority extends an appointment to a regular professional employee covered by the Agreement to hold a position outside the Appropriate Unit and does not assign this employee duties pertinent to the Appropriate Unit, the Authority shall have the right to post and fill such vacancy, or not to do so, provided it complies with the provisions of this Article, including notice to the UEPI.
2. Whenever the Authority appoints a regular professional employee covered by the Agreement to a position outside the Appropriate Unit and assigns such employee to work in the Appropriate Unit, the Authority shall be required to post and fill such vacancy in accordance with the provisions of this Article but may not exercise its discretion not to publicize this vacancy as per paragraph two (2) of Section 2 of said Article.

Section 3. Procedure for Filling Positions

- A. When filling a vacant or newly created position within the Appropriate Unit indicated in Article III of this Agreement: Appropriate Unit, the Authority and the affected department's UEPI representative shall discuss as soon as possible, but no later than forty (40) working days from the date when the position in question is posted, those candidates eligible to fill the position, and shall prepare and sign minutes of their meeting. For discussion purposes, the supervisor will show the UEPI representative the documents used in determining the most qualified candidate and will provide a copy of them upon request.

If the parties do not reach agreement within ten (10) working days of the date of the last meeting, the UEPI shall submit the case to the Appointments Committee created by virtue of this Article, and if the Authority deems it appropriate, it may give its

selected candidate a conditional appointment, subject to Appointments Committee referral.

B. Appointments Committee

1. An Appointments Committee is hereby created and the UEPI may appeal to this Committee all the Authority's determinations regarding the allocation of vacancies with which it is not satisfied. This Committee shall consist of one Authority representative and one UEPI representative who shall be appointed to act in each case.
2. The Appointments Committee shall be empowered to conduct any investigation related to the cases that come before it and shall resolve them unanimously by transmitting its decision to the affected professional employees, UEPI and the Authority.
3. Any decision of this Committee shall be final and binding on the parties.
4. In cases in which the Appointments Committee does not render a decision within ten (10) working days of the date on which the case was assigned to it, the UEPI shall have five (5) working days to challenge the Authority's decision before an arbitrator appointed in accordance with the provisions of this Agreement's Article IX: Grievance Resolution and Arbitration Procedure. The arbitrator's decision shall be final and binding on the parties and shall be reported to the affected professional employee, the UEPI and the Head of the Personnel Division.
5. The parties may waive the intervention of the Committee by mutual agreement and submit the case directly to the arbitrator referenced in this Section.

- C. If there are no eligible candidates to fill a vacant or newly created position, after using the Posting and Appointment Procedure, the Authority will make reasonable efforts to try to fill the position with eligible candidates from other Appropriate Units of the Authority or from the community who meet the requirements of the position to be filled.

Section 4. Effective Dates of Appointments

Any professional employee who has been selected to fill a vacant or newly created position in accordance with the provisions of this Article, shall begin to earn the salary accruing to this position in the next pay period following the appointment date, unless the time between the appointment date and the beginning of the next pay period is five (5) working days, or less, in which case the employee shall begin to receive this salary in the

subsequent pay period. For the purposes of this provision, working days shall be deemed to be Monday through Friday, including holidays. It is stipulated that if the appointment is not made within forty (40) working days of posting the vacancy, as stipulated in paragraph A of Section 3 of this Article, the appointment shall take effect fourteen (14) days following the period of forty (40) working days from the posting.

Section 5. Applications for Lower Classification Postings

A professional employee selected to fill a vacant or newly created position who applies to a lower occupational group than that of the position currently held shall be assigned the same merit step as they had in their previous classification and the time in service at that merit step shall be considered when applying the merit-based step increase rules. It is stipulated that any applicant seeking a higher or equal ranking position will have priority over an applicant requesting a lower classified position.

Section 6. Evidence in Personnel Record

All applicants for a vacant or newly created position must fulfill the requirements set by the Authority and show current evidence of their degrees, certificates, or diplomas that they possess in their personnel file at the time that the posting expires.

ARTICLE XIV - JOB RECLASSIFICATIONS

Section 1. Submission of Job Reclassification Requests

When one or more professional employees request the reclassification of their position, they must submit their request in writing stating any or all of the reasons for the request and submit it directly to the Personnel Division or through their supervisor, transmitting a copy of the request in both cases. The Personnel Division will evaluate the employee's personnel file and determine whether the employee satisfies the academic preparation, experience, training, testing, and licensing requirements of the class to which they are requesting reclassification. The appropriate field study shall be conducted and the affected professional employee and the UEPI shall be notified of the decision. If the analysis of the file shows that the employee does not fulfill the requirements, the file will be returned without a field study being required. In cases of an employee temporarily carrying out duties in the class for which they are requesting reclassification, the Personnel Division will return the personnel file without a field study being required.



Section 2. Appealing the Decision of the Personnel Division

If said professional employee or group of professional employees is not satisfied with the decision made by the Personnel Division, they may appeal the decision within no more than ten (10) working days from the date of notice of the Personnel Division's decision to the Job Reclassification Committee created in Section 3 of this Article.

Section 3. Job Reclassification Committee

- A. A Job Reclassification Committee is hereby created, to which the UEPI may appeal any determinations of the Personnel Division as to position reclassification with which it is not in agreement. This Committee shall consist of two (2) Authority representatives and two (2) UEPI representatives to be designated by the parties to act in each case.
- B. This Committee shall have the authority to review the matters submitted for its consideration and render a decision on the classification of positions by applying the position evaluation system in effect at the Authority and reviewing the interpretation of the evaluation guide made by the Personnel Division in the case under appeal.
- C. This Committee's decisions shall be by majority vote and shall be final and binding on the parties.
- D. If the Committee does not render a decision within sixty (60) working days from the date when the case is submitted, the UEPI shall appeal the decision of the Personnel Division within fifteen (15) working days to an arbitrator specialized in the matter for a final resolution of the dispute. The arbitrator shall be appointed from a list of six (6) impartial individuals of recognized experience and knowledge in the field of job classifications selected by both parties by stipulation to that effect. The list shall be prepared in alphabetical order and the arbitrators' services shall be used in the numerical order corresponding to the list. If the aforementioned list is reduced at any time to three (3) or less, the parties shall meet to complete the list of six (6) arbitrators. The arbitrator's decision shall be final and binding on the parties and the affected professional employee, the UEPI, and the Heads of the Personnel Division and the Labor Relations Division shall be informed of same.
- E. The parties may, by mutual agreement, waive the Committee's intervention and submit the matter directly to the arbitrator referenced in the preceding paragraph.

- F. The Committee shall have the necessary powers to carry out its duties.
- G. If there is any change in the duties or functions performed by the employee after the reclassification was requested, any of the parties in the Committee may request an explanation from the supervisor of the reasons for this change.

Section 4. Assignment of Merit Steps in the Event of Reclassification

Professional employees who are reclassified shall be assigned the same merit step as in their classification prior to the reclassification and the time in service at that merit step shall be considered when applying the rules for merit-based step increases.

Section 5. Effective Date of Individual Reclassifications

When it is determined that reclassification is appropriate for individual applications, the reclassification will take effect in the pay period following the date on which this determination is issued. Where this determination takes more than twenty (20) working days from the date the application is filed with the Personnel Division, it shall take effect in the pay period following the date on which this period expires.

Section 6. Effective Date of Group Reclassifications

- A. When reclassification is found appropriate for group applications, the reclassification will take effect in the pay period following the date of the determination. If this determination takes more than forty (40) working days from the date when the application is filed with the Personnel Division, it shall take effect in the pay period following the date on which this period expires.
- B. A group shall be deemed to exist if the same application is submitted collectively or where more than five (5) professional employees of the same general classification in the same section or department submit individual applications within a period of ten (10) working days.

Section 7. The employee(s) may appear before the Committee represented by the UEPI President or authorized representative.

Section 8. Arbitrators' Fees

The arbitrator's fees shall be paid by the non-prevailing party except if the arbitrator finds that there is no prevailing party due to the nature of the matter involved and the award rendered. In this case, both parties shall be equally liable for the arbitrator's fees.

Notwithstanding the foregoing, either party may request that the arbitrator reconsider the finding regarding the non-prevailing party for the sole purpose of the payment of fees, if there was a written offer prior to the arbitration.

## ARTICLE XV - EMPLOYMENT STABILITY

### Section 1. Preference to Continue Working at Work Location

One of this Agreement's fundamental objects is to provide stability of employment for regular professional employees covered by this Agreement. Therefore, the Authority declares that, if it is forced to reduce or suspend all or part of a department, section, or work unit as a result of restructuring, mechanization, automation, new systems or procedures being created, or because of the total or partial completion of a construction project, preference will be given as to remaining in available positions of the same classification to the regular professional employees of said department, section or work unit with longer time in service.

Section 2. The Authority shall pay seventy-five percent (75%) of the accrued Sick Leave to employees at the time of separation.

### Section 3. Preference for Continuation in the Appropriate Unit

A regular professional employee affected by a suspension or reduction shall be entitled to displace the regular professional employee of the same classification who has the least seniority.

### Section 4. Reassignment of Regular Professional Employees

When, as a consequence of the provisions of Section 1 and/or 2 of this Article, any regular professional employee is separated from service, the Authority shall notify the UEPI two (2) months in advance, so that the parties may discuss and agree on the reassignment of the affected regular professional employee(s). The aforementioned term shall not apply when the suspension or reduction of regular professional personnel is due to reasons beyond the Authority's control.

If reassignment is not possible, and therefore one or more regular professional employees must be separated from service, the Authority shall be required to:

1. Pay out the vacation balance accrued by the employee at the time of the employee's definitive separation from service.
2. Pay the Christmas Bonus accrued up to the time of separation from service (pro rata) provided that the employee satisfies the other requirements set forth in Article XXII on Christmas Bonus.
3. The professional employees thus affected shall remain on a preferential re-employment list for one (1) year in accordance with the provisions of Section 5 of this Article.
4. A regular employee who has worked as such for two (2) to nine (9) years in the Appropriate Unit shall receive a payment equivalent to one and a half (1 1/2) months' salary plus one (1) week for each year of service as a regular

employee in the Appropriate Unit.

A regular employee who has worked as such for ten (10) years or more in the Appropriate Unit shall receive a payment equivalent to three (3) months' salary plus one (1) week for each year of service in the Appropriate Unit.

If such employee returns to service with the Authority, they shall not be entitled to this benefit again. Severance pay shall be paid on or before the end of the second pay period following the severance date.

Section 5. Reassignment to Lower Occupational Group Positions

A. Pay and Merit Steps Applicable to Reassigned Regular Professional Employee If a regular professional employee is reassigned to a position in a lower occupational group, they shall retain the same base salary as assigned to the position they previously held and the merit step standards set forth in this Agreement shall apply as if the employee had remained in the previous position and merit step.

B. Reassigned Professional Employee Fringe Benefits

During the first twenty-six (26) pay periods, if an employee holds the position to which they have been assigned, the affected professional employee shall be paid all those fringe benefits they would have received had they remained in their original position, such as: meal breaks, differential pay, double pay on working holidays in their work schedule, etc., up to an amount equal to the total compensation the employee would have received in the position held prior to the suspension or restructuring of activities.

Section 6. Re-employment of Suspended Regular Professional Staff

The Authority shall give hiring priority to regular professional employees separated from service due to suspension, restructuring, mechanization, automation and new systems or procedures created, or due to total or partial completion of a construction project, in other activities of the industry within the Appropriate Unit in accordance with the capacity and ability of such professional employees who shall have priority over the rights of all other regular professional employees covered by this Agreement to fill vacant or newly created positions, provided they are qualified to perform the duties. In these cases, posting vacancies will not be necessary. If there is more than one separated professional employee who is equally qualified, the most senior regular professional employee shall have priority.

Section 7. Addresses of Separated Regional Professional Employees

Regular professional employees separated from service under the provisions of this Article shall notify the Head of the Personnel Division of the Authority and the UEPI of their addresses on the effective date of their separation from service and shall promptly notify them in writing of any change of address. Non-compliance with this requirement will disqualify them for reemployment by the Authority.

Section 8. Correspondence concerning Dismissal and Reemployment

The Authority shall send the UEPI copies of all correspondence sent to regular professional employees covered by this Agreement in connection with separation from service and reemployment.

Section 9. No Payment of Transfers, Relocation and Transportation Expenses and Per Diem Allowances

The movement of personnel resulting from the application of this Article shall not entail payment for transfers, relocation, and transportation expenses or per diem allowances.

Section 10. Compliance with this Article

The Authority shall be deemed to have complied with its commitment to employment stability when it offers an affected regular employee a suitable position or one that is available under the terms of this Article, and it shall be released from any further commitment where this employee does not accept it. It is hereby stipulated that subsections 1, 2 and 3 of Section 3 of this Article shall apply.

ARTICLE XVI - BASIC COMPENSATION

Section 1. Regular professional employees shall be paid every two (2) weeks on the basis of their annual compensation, and the amount of their pay every two (2) weeks shall be one twenty-sixth (1/26) of the employee's annual salary. The hourly wage rate shall be determined by dividing the fixed annual compensation by one thousand, nine hundred and fifty (1,950) hours. The hourly wage determination for professional employees shall be established for the purposes of extraordinary compensation, as negotiated in this Agreement.

Temporary professional employees covered by this Agreement shall have their compensation set and paid on the basis of an hourly wage rate. Temporary professional employees shall be paid the pay amount earned every two (2) weeks of work.

Section 2. At the employee's option, regular and temporary employees shall be paid by direct deposit, electronic transfer or check or any other electronic means; and such payments shall come with a pay slip indicating the salary earned, deductions, extraordinary compensation for overtime and the period covered.

## ARTICLE XVII - EXTRAORDINARY COMPENSATION

### Section 1. Double the Regular Pay Rate

- A. Hours worked during the sixth and seventh day (rest days).
- B. Hours worked in excess of the seven and a half (7½) hour workday.
- C. Hours worked during meal breaks.
- D. Hours worked when a rotating shift employee is required to work shifts in addition to their regular shift without sixteen and a half (16½) hours of rest after their seven and one-half (7½) hours of work.

### Section 2. Double the Regular Pay Rate Including the Basic or Regular Day Off Pay

- A. Hours worked on holidays awarded off with pay.
- B. Time worked during the regular daily workday when it is in excess of seven and a half (7½) hours for having worked during meal breaks.
- C. Hours designated as time off by the Authority in line with a directive from the Governor and during which they are required to work.
- D. Hours worked during the rest period awarded within the regular workday in accordance with the Article on Compensatory Time Off for Night Work.
- E. Hours worked in substitution for regular working hours by an employee, other than a relief employee, whose regular schedule is not a rotating shift.

## ARTICLE XVIII - MINIMUM COMPENSATION GUARANTEE FOR REGULAR AND TEMPORARY PROFESSIONAL EMPLOYEES

### Section 1. Minimum Guarantee for Hours Outside Regular Work Schedule

- A. Professional employees required to work hours outside their regular work schedule shall be entitled to receive minimum compensation equivalent to the amount of three and three-quarters (3¾) hours of work at the regular pay rate should any of the following situations occur for reasons outside of their control:
  - 1. Due to lack of notice from the Authority to a professional employee of the suspension of work, at their home or in person prior to the time of departure for work, except in cases of force majeure, such as flood, tidal wave, fire or earthquake, which prevent adequate advance notice of the suspension of work, such professional employee appears at the required time and place and cannot or is not permitted to do any work.

2. Work is suspended before the first three and three-quarter ( $3\frac{3}{4}$ ) hours have elapsed. If the number of hours worked equals or exceeds the amount of three and three-quarters ( $3\frac{3}{4}$ ) hours at the regular pay rate, the minimum compensation guarantee set forth herein shall be deemed complied with.
- B. In any of these situations, the Authority may retain such professional employees for a period of time equivalent to the minimum guaranteed compensation, either to await the opportunity to resume work, or to perform other work similar to that which they had been doing. If there is no opportunity to resume the work, or to be assigned to perform other similar work, the professional employee shall be sent home and shall always be entitled to the minimum compensation of three and three-quarters ( $3\frac{3}{4}$ ) hours guaranteed herein.
- C. This minimum compensation guarantee shall not apply when the work is scheduled to begin immediately after the end of the regular workday or if, for the professional employee's convenience, it is scheduled to begin later.

Section 2. Minimum Guarantee on Days Outside the Regular Work Schedule

- A. Professional employees required to work on days outside their regular work schedule shall be entitled to receive minimum compensation equivalent to the amount of three and three-quarters ( $3\frac{3}{4}$ ) hours of work at the regular pay rate should any of the following situations occur for reasons outside of their control:
  1. Due to lack of notice from the Authority to a professional employee of the suspension of work, at their home or in person prior to the time of departure for work, except in cases of force majeure, such as flood, tidal wave, fire or earthquake, which prevent adequate advance notice of the suspension of work, such professional employee appears at the required time and place and cannot or is not permitted to do any work.
  2. Work is suspended before the first three and three-quarter ( $3\frac{3}{4}$ ) hours have elapsed. If the number of hours worked equals or exceeds the amount of three and three-quarters ( $3\frac{3}{4}$ ) hours at the regular pay rate, the minimum compensation guarantee set forth herein shall be deemed complied with.



- B. In any of these situations, the Authority may retain such professional employees for a period of time equivalent to the minimum guaranteed compensation, either to await the opportunity to resume work, or to perform other work similar to that which they had been doing. If there is no opportunity to resume work, or to be assigned to perform other similar work, the professional employee shall be sent home and shall always be entitled to the minimum compensation of three and three-quarters ( $3\frac{3}{4}$ ) hours guaranteed herein.

Section 3. Minimum Guarantee on Days Within the Regular Work Program - Temporary Professional Employees

- A. Temporary professional employees of the Authority shall be entitled to a minimum compensation equivalent to the amount of three and three-fourths ( $3\frac{3}{4}$ ) hours of work at the regular pay rate should any of the following situations occur for reasons outside of their control:
1. Due to lack of notice from the Authority to a professional employee of the suspension of the regular workday, at their home or in person prior to the time of departure for work, except in cases of force majeure, such as flood, tidal wave, fire, or earthquake, which prevent adequate advance notice of the suspension of work, such professional employee appears at the required time and place and cannot or is not permitted to do any work.
  2. Their regular workday is suspended before the end of the first three and three-quarter ( $3\frac{3}{4}$ ) hours.
  3. If the regular afternoon workday is suspended after it has begun and a professional employee is present, they shall be paid a minimum compensation of seven and a half ( $7\frac{1}{2}$ ) hours at the regular pay rate, provided they have worked the first three and three-quarters ( $3\frac{3}{4}$ ) hours.
- B. In any of these situations, the Authority may retain such professional employees for a period of time equivalent to the minimum guaranteed compensation, either to await the opportunity to resume work, or to perform other work similar to that which they had been doing. If there is no opportunity to resume the work, or to be assigned to perform other similar work, the professional employee shall be sent home and shall be entitled to the minimum compensation of three and three-quarters ( $3\frac{3}{4}$ ) hours guaranteed herein.



## ARTICLE XIX - MERIT STEPS

### Section 1. Rules for Merit-Based Step Increases

Merit-based step increases for regular professional employees shall take into consideration the years of service at each step and the follow the merit requirements detailed below:

#### A. Time in service (Seniority)

In addition to fulfilling the requirements listed below for merit-based step increases, regular professional employees must complete at most the following periods of service at each of the various merit steps:

1. For progression from merit step one to two - 1 year of service at merit step one.
2. For progression from merit step two to three - 2 years of service at merit step two.
3. For progression from merit step three to four - 2 years of service at merit step three.
4. For progression from merit step four to five - 3 years of service at merit step four.
5. For progression from merit step five to six - 3 years of service at merit step five.
6. For progression from merit step six to seven - 3 years of service at merit step six.
7. For progression from merit step seven to eight - 3 years and 6 months of service at merit step seven.
8. For progression from merit step eight to nine - 4 years of service at merit step eight.
9. For progression from merit step nine to ten - 4 years of service at merit step nine.  
The increase in said step shall be the same amount as the increase received by a professional employee when moving from merit step eight to nine, according to their occupational group.

#### B. Merits

##### 1. Satisfactory Work

The quality of work as well as the knowledge of the job must be satisfactory.

2. Good conduct

An employee must not have received a formal reprimand or been the subject of disciplinary action accepted by the professional employee and the UEPI representative or proven through an administrative hearing during the period of service at the merit step under consideration.

There must be no record of the professional employee having committed during the period under consideration the offenses listed below, same having been accepted by the professional employee and the UEPI representative or proven through and by administrative hearing, such as:

- a. frequent tardiness;
- b. unjustified absences;
- c. lack of interest in their work;

Section 2: Effect of Misconduct and Disciplinary Actions

If a regular professional employee's record contains any of the above-mentioned offenses or disciplinary actions for offenses committed, the period of service at the merit step under consideration shall be counted from the date of the last offense, formal reprimand, or disciplinary action.

A memorandum from a supervisor if the offense has not been accepted by the regular professional employee and the UEPI representative or proven in the presence of the UEPI representative or authorized officer or through an administrative hearing, shall not be cause for denial of a merit step.

Section 3. Maximum Merit step Progression

In applying these rules, under no circumstances shall a step increase cover more than one merit step at any one time.

Section 4. Effective Date of Merit step in the event of Promotion

In the event of promotion from one occupational group to another, the time in service at the merit step under consideration shall be counted from the effective date of the promotion.

Section 5. Step Increase Recommendation for Exceptional Merit

These rules do not preclude recommendations for step increases in cases of exceptional merit.

ARTICLE XX - PROMOTIONS

Section 1. When a professional employee moves from one occupational group to a higher occupational group, this is considered a promotion. In such case, the professional employee will receive a salary increase equivalent to one merit step. In cases of promotion

of professional employees, the salary to be assigned shall never be less than level one (1) of the corresponding scale.

Section 2. In cases of promotion from one occupational group to a higher one, the period of service at the merit step under consideration shall be counted from the effective date of the promotion.

Section 3. If a regular professional employee who is at merit step two (2) or above is promoted and, as of the date of appointment to a promoted position, is ninety (90) calendar days or less away from reaching the next merit step in their position, the regular professional employee shall be entitled to be credited with such level in determining the salary to be received in the promoted position, unless one of the reasons set forth in Article XIX of this Agreement on "Merit steps" precludes the award of merit steps. If the UEPI representative fails to appear at the meeting called to discuss the appointment to the vacant position, as stipulated in Section 4 of Article XIII on "Vacant or Newly Created Vacancies", or if they attend the meeting and it cannot be discussed for a reason attributable to the representative or the UEPI, then the date to be considered for calculating the ninety (90) days shall be the vacancy posting expiration date and not the date of on which the vacancy was filled.

The invitation to the aforementioned meeting shall be sent with forty-eight (48) hours' notice. The merit step accreditation stipulated in this Section shall be stated in both the minutes of the meeting to fill the position and in the Personnel Action.

Section 4. If a regular professional employee is appointed to temporarily perform a job in a higher position than the one presently held, and this substitution lasts for more than ten (10) consecutive working days, from the date on which the substitution began, the employee shall receive the salary for the merit step that has a compensation immediately higher than the employee's salary.

#### ARTICLE XXI - DIFFERENTIAL PAY

Section 1. Differential Pay Types and Shifts to which They Apply

When regular or non-regular professional employees work a regular evening shift (3:00 p.m. to 11:00 p.m. or 4:00 p.m. to 12:00 a.m.), they shall be paid a differential of 50¢ an hour; and when they work a regular early morning shift (11:00 p.m. to 7:00 a.m. or 12:00 midnight to 8:00 a.m.), they shall be paid a differential of 60¢ an hour. Professional employees who work regular shifts beginning on or after 1:00 p.m. or before 6:00 a.m. shall be paid the 50¢ per hour differential for those regular hours worked included within the 3:00 p.m. to 12:00 midnight period or the 60¢ per hour differential for those regular hours worked included within the 12:00 midnight to 8:00 a.m. period. This differential will not affect the basic compensation.

Section 2. Professional Day Shift Employee Required to Work on an Evening or Early Morning Shift

Professional employees who have worked the day shift (7:00 a.m. to 3:00 p.m. or 8:00 a.m. to 4:00 p.m.) and are required to work the next evening or the subsequent early morning shift shall receive the corresponding differential pay, as the case may be, in addition to the extraordinary compensation fixed in this Agreement.

Section 3. Double Differential Pay

- A. When a professional employee who has worked the evening shift is required to work the next early morning or subsequent day shift, the 50¢ per hour differential will be doubled for the hours worked on the early morning or day shift.
- B. When a professional employee has worked the early morning shift and has been required to work the next day shift or the next evening shift, the 60¢ per hour differential will be doubled for the hours worked on the day or evening shift.

Section 4. Non-Application of Differential Pay

The differential pay is not applicable to regular or overtime hours worked by those professional employees who work regular workdays that begin between 6:00 a.m. and before 1:00 p.m.

Section 5. Types of Differential Pay and Shifts that apply to Fixed Shifts

Professional employees with fixed shift schedules from Tuesday through Saturday will earn a 30¢ differential per hour worked during the days in their respective shifts. When professional employees in these fixed shift programs are required to work overtime, the overtime compensation will apply to both their regular pay rate and the differential.

## ARTICLE XXII - CHRISTMAS BONUS

### Section 1. Amount of the Bonus

The Authority and the UEPI agree that on the first Friday of December of each year that this Agreement is in effect, the Authority shall award a Christmas Bonus to each of the regular professional employees covered by this Agreement who were in employment at the close of the fiscal year prior to the month of December of each year, and who had at least six (6) months of service as such at the close of said fiscal year. During the years that the Agreement is in force, the Bonus will be equivalent to eight percent (8%) for up to a maximum of sixty thousand dollars (\$60,000) plus four percent (4%) of any salary earned over this amount.

### Section 2. Proportional Bonus in Special Cases

In cases where prior to the end of the fiscal year a regular professional employee has died, or has retired, or has been drafted into the Armed Forces of the United States or has been suspended as a result of restructuring, mechanization, automation, new systems or procedures created, or as a result of the total or partial completion of a construction project as provided in Section 3 of Article XV of this Agreement, they shall be entitled to a portion of the Christmas Bonus for that year in proportion to the total salary earned during the fiscal year, as if they had continued and been in active service until the close of that fiscal year.

### Section 3. Bonus Amount in the event of Unforeseeable Circumstances

1. In the event of earthquakes, hurricanes or disasters which cause damage to the Authority's property, or which cause a reduction in its revenues which the Authority cannot cover with the reserves and insurance provided for such property damage or reduction in its revenues, and the Authority demonstrates that its financial situation does not allow it to pay the agreed amount of the Christmas Bonus, the Authority and the UEPI shall determine the reasonable amount to be paid by the Authority by mutual agreement instead of the amount provided in Section 1 of this Article.
2. If the Authority and the UEPI cannot agree, the dispute shall be submitted to a special arbitrator to be appointed by mutual agreement of the parties. This special arbitrator shall be a person of recognized professional competence in the field of finance and economics, and of recognized good moral character in the community. The arbitrator shall resolve the dispute in accordance with the provisions of this Article and their award shall be final and binding on the parties.

3. This special arbitrator's fees and expenses shall be covered in equal parts by the Authority and the UEPI.

Section 4. Laws Governing the Award of the Bonus – Claims Procedure

- A. The Authority and the UEPI expressly agree that the foregoing provisions shall be governed solely and exclusively by the laws of Puerto Rico and are excluded from the application of federal law.
- B. The parties further agree that the agreed upon and fixed regular hourly pay rate, as set forth in the Authority's prevailing pay scales for professional employees covered by this Agreement, shall not be modified in any way for all purposes of this Agreement and of law by the Christmas Bonus agreed to in this Article.
- C. The Christmas Bonus shall not be taken into consideration for overtime pay, vacation and all other benefits granted by this Agreement or by law that are determined on the basis of the regular hourly wage rate. Under no circumstances shall the Christmas Bonus for any regular professional employee exceed eight percent (8%) of the total salary earned of up to a maximum of sixty thousand dollars (\$60,000) plus four percent (4%) of any salary earned over sixty thousand dollars (\$60,000) annually by each regular professional employee during each of the fiscal years, and where this is not the case, the Authority shall make the necessary adjustment so that this multiplication yields the aforementioned amount.
- D. Any claim by the UEPI or a regular professional employee asserting that the Christmas Bonus has increased the agreed and fixed regular hourly wage rate as it appears in the current pay scales, as well as any other claim involving the bonus, shall be submitted for resolution by a special arbitrator to be appointed by mutual agreement between the parties, who shall enter an award exclusively in line with the provisions of this Article.

This arbitrator's award shall be final and binding on the parties.

Section 5. Bonus for Temporary Professional Employees

During the effective term of this Collective Agreement, all temporary employees shall be entitled to receive a Christmas Bonus equivalent to that set by current legislation applicable to public corporations of the Commonwealth of Puerto Rico for each year that they render services to the Authority for at least nine hundred sixty (60) hours within the twelve (12) month period from December 1 of the preceding year until November 30 of the year in which the bonus is granted.

Service rendered for fifteen (15) days or more during a month shall be considered as one (1) month of service.

#### ARTICLE XXIII - PER DIEM ALLOWANCES

##### Section 1. Definition

A per diem allowance is defined as the agreed fixed allowances for reimbursable meal and accommodation expenses incurred by professional employees covered by this Agreement when they are required to work, study, or receive training outside their work area or work location, or at times outside the regular work schedule in their work area or work location. These expenses will be reimbursed by direct deposit, electronic transfer, check or any other electronic means; which will have a sheet attached indicating the details of the disbursement. This provision does not include the training contained in Article XLVI, Training, nor the academic studies contained in Article XLVII, Academic Studies, of the extant Collective Agreement.

##### Section 2. Per diem allowances - Outside the Work Area or Work Location

###### A. Within the Commonwealth of Puerto Rico

Per diem allowances or reimbursable expenses shall be paid when a professional employee is required to work outside their work area or work location within the Commonwealth of Puerto Rico in the situations and amounts specified below:

1. For periods of twenty-four (24) hours or more, the Authority shall pay per diem allowances at the rate of:

\$76.50	first year
\$76.50	second year
\$76.50	third year

2. For periods of less than twenty-four (24) hours, the Authority shall pay per diem allowances as follows:

If the professional employee leaves their work area or work location:

- a. At or before 6:00 a.m. and returns at or after 7:30 a.m. the same day for breakfast:

\$4.50	first year
\$4.50	second year
\$4.50	third year

- b. At or after 7:30 a.m. and returns at or after 12:15 p.m. the same day, for lunch:
    - \$8.50 first year
    - \$8.50 second year
    - \$8.50 third year
  - c. At or after 12:15 p.m. and returns at or after 6:15 p.m. the same day, for dinner:
    - \$8.50 first year
    - \$8.50 second year
    - \$8.50 third year
  - d. At or after 6:15 p.m. and does not return until 5:45 a.m. or after this time the following day, for accommodation:
    - 1. Islands Zone
      - \$55.00 first year
      - \$55.00 second year
      - \$55.00 third year
    - 2. \* Special Zone (Quebradillas, Ponce, Aguadilla, Vieques, Culebra, Fajardo and Metropolitan Region) \$55.00
- \*Note: A maximum of \$70.00 per day shall be paid upon submission of proof of payment and corresponding invoices.

B. Outside the Commonwealth of Puerto Rico (including the Virgin Islands)

Per diem allowances and reimbursable expenses shall be paid when a professional employee is required to work, study, or receive training outside their work area or work location outside the Commonwealth of Puerto Rico (including the Virgin Islands), in the situations and amounts specified below. (The training and academic studies contained in Articles XLVI and XLVII respectively are excluded from this provision.)

- 1. For periods of twenty-four (24) hours or more, the Authority shall pay per diem allowances as follows:
  - \$135.00 first year
  - \$135.00 second year
  - \$135.00 third year
- 2. For periods of less than twenty-four (24) hours, the Authority shall pay per diem allowances as follows:



If the professional employee leaves their work area or work location:

- a. At or before 6:00 a.m. and returns at or after 7:30 a.m. On the same day, for breakfast:

\$10.00	first year
\$10.00	second year
\$10.00	third year
- b. At or after 7:30 a.m. and returns at or after 12:15 p.m. the same day, for lunch:

\$17.50	first year
\$17.50	second year
\$17.50	third year
- c. At or after 12:15 p.m. and returns at or after 6:15 p.m. the same day, for dinner:

\$17.50	first year
\$17.50	second year
\$17.50	third year
- d. When a professional employee is required to stay overnight, for accommodation \$90.00

Section 3. Per Diem Allowances when an Employee Is Required to Work Outside their Regular Work Schedule within their Work Area or Work Location

When professional employees covered by this Agreement are required to work within their own work area or work location during hours outside their regular work schedule on their workdays and such hours fall within those indicated in Sub-paragraphs A-2-a, A-2-b, or A-2-c of Section 2 of this Article, they shall be paid a per diem allowance equal to those indicated in said sub-paragraphs. If these working hours outside of their regular schedule occur during the night and extend until or after 12:00 midnight, they will be paid a \$5.25 per diem allowance known as the Midnight Per Diem. This per diem allowance will also be paid if a professional employee starts work between 12:00 midnight and 3:00 a.m. and works two or more hours.

Section 4. Per Diem Allowances on Days Off

When a professional employee is required to work with or without prior notice in their work area or work location on any of their days off, they shall be paid the per diem under the conditions set forth in Sub-paragraph A-2-a, A-2-b or A-2-c of Section 2 of this Article, if they are entitled to it.

Section 5. Midnight Per Diems Out of an Employee's Work Area or Work Location

When a professional employee who is not temporarily transferred to another location is required to work outside their work area or work location for hours outside or within their work schedule and these hours occurred during the night and extended until or after 12:30 a.m. and they return to their work area or work location before 8:00 a.m., they will be paid a \$5.25 midnight meal per diem. When, by virtue of the provisions herein, an employee is entitled to the payment of the \$5.25 per diem allowance, the accommodation allowance does not apply because the employee has not incurred this expense.

Section 6. Transportation Expenses - Outside an Employee's Work Area or Work Location

When a professional employee is required to work outside their work area or work location and the Authority has not provided them with the means of transportation, they shall be reimbursed these expenses at the current prevailing rates. All the time required by the professional employee to travel to and from their work location to if they are working shall be considered time worked.

Section 7. Per Diem Allowances and Transportation Expenses Applicable to Temporary Transfers

- A. Any professional employee with a regular schedule is temporarily transferred to another work area or work location and is required to reside at this location during such transfer, shall be paid a per diem allowance at the rates set forth in this Article. The Authority shall also provide the means of transportation for travel to this area or location on the first day of the transfer and for the employee's return on the last day to the work area. If the Authority does not provide the means of transportation, the professional employee shall attend on the first working day at the location to which they have been transferred at the regular time of commencement of work, and on the last working day of their transfer they shall return to their work area or site at the time the work is completed, and the professional employee shall be paid for such transportation at the current prevailing rates. In this case, the time required for travel shall be agreed between the professional employee and their supervisor, including reasonable time to obtain the vehicle, and the professional employee shall be paid for such time as provided in Article XVII of this Agreement, where it falls outside their regular daily workday.
- B. When a professional employee with a regular schedule is assigned to work in another work area or work location and is required to go to said location and return to their work area or work location daily, the Authority shall pay them the per diem allowance corresponding to the rates indicated in this Article and shall also provide them with the means of transportation to travel to this location and return to their work area or work location on a daily basis.

If the Authority does not provide the means of transportation, the professional employee shall attend at the location to which they have been transferred at the regular starting time and shall return to their work area or site at the end of their working time, and this transportation shall be reimbursed at the current prevailing rates. In this case, the time required for travel shall be agreed upon between the professional employee and their supervisor, including reasonable time to obtain the vehicle, and the professional employee shall be paid for such time as provided in Article XVII of this Agreement, where it falls outside their regular daily workday.

- C. In all situations mentioned in sub-paragraphs A and B of this Section, travel time shall be considered as time worked.
- D. In inaccessible or transportation-scarce locations, a reasonable degree of flexibility will be applied by the professional employee and their supervisor in agreeing upon travel time and wait time to obtain a vehicle.

Section 8. Per Diem Allowances for Study or Training Outside the Commonwealth of Puerto Rico

If the Authority requires a professional employee covered by this Agreement to study or receive training outside the Commonwealth of Puerto Rico, the Authority and the UEPI, together with the professional employee, shall discuss the per diem allowance to be awarded to such professional employee, which shall never be less than that established in Section 2-B of this Article.

Section 9. Special Breakfast Allowance

When a professional employee whose regular work schedule begins on or after 7:00 a.m. is required to work within or outside of their work area or work location on or before 6:00 a.m., they shall receive a breakfast allowance at the time their regular workday commences.

Section 10. Advance payments of Transportation Expenses and Per Diem Allowances

The Authority agrees to provide an advance of per diem allowances and transportation expenses, which shall be paid by check accompanied by a notice indicating the disbursement information, to the respective professional employee upon request, at least five (5) working days in advance, in any of the following circumstances:

1. Professional employees who, due to work requirements, must leave for five (5) or more consecutive days away from their regular work location or work area, shall be advanced the per diem for five (5) days, plus the corresponding transportation expenses, prior to their departure. If the stay is extended and the professional employee requires an additional advance payment, the supervisor of the site if the employee is working temporarily will make the necessary arrangements for the advance payment to be processed.

2. Professional employees who have to leave their work area or work location due to an emergency will be paid the corresponding advance payment for per diem allowances and transportation expenses as soon as possible.
3. Professional employees who are required by the Authority to attend a Medical Consultant appointment or an interview with the Employee Assistance Program (EAP).

Section 11. Per Diem Allowances for Work Outside the Commonwealth of Puerto Rico

When the Authority needs the services of any professional employee covered by this Agreement to perform work for other entities outside the Commonwealth, the per diem allowances to be received during this period shall be discussed between the Authority and the UEPI jointly with the professional employee before using their services, and these per diem allowances shall not be less than those set forth in Section 2, Sub-paragraph B of this Article. Where it is determined that any expense item was not correctly fixed and the professional employee submits evidence to that effect, the Authority shall pay the employee the amount owed for such item.

If the work lasts longer than estimated, the Authority will send the employee the corresponding amount of money to cover the employee's expenses during the period the work lasts. If the corresponding amount is not sent within a reasonable period of time, the employee will be free to return to Puerto Rico.

With respect to travel expenses, the administrative rules in effect for the Authority's officials and employees shall apply.

ARTICLE XXIV - PAYMENT OF RELOCATION EXPENSES

Section 1. Relocation Expenses

The Authority shall reimburse regular professional employees who are permanently transferred from one municipality to another the fixed amount of two hundred twenty-five dollars (\$225) by way of relocation expenses in the following cases:

1. When the transfer is in the Authority's exclusive interest.
2. When the transfer is in accordance with Section 3-A-4 of Article X, Classifications, relating to regular and partially disabled professional employees.

Section 2. Temporary Transfer Guarantee (5 days)

In order to enable the regular professional employee to obtain adequate housing and to make the corresponding arrangements for the transfer referenced in the preceding Section, the employee be temporarily transferred to the other municipality for a period not to exceed five (5) working days and the corresponding transportation expenses and per diem allowances shall be provided or paid as per Article XXIII of this Agreement.

Section 3. Compensation for Losses Caused by Relocation

When the Authority, in its exclusive interest, needs to permanently transfer a regular professional employee from one municipality to another or within the same municipality, the Authority and the UEPI together with the affected regular professional employee shall first discuss the reasons compelling the Authority to make such transfer.

If the transfer is made in the Authority's sole interest and the regular professional employee would necessarily have to move their residence by reason of the transfer or such transfer would directly cause them any other economic loss or health damage, they shall receive as compensation for the transfer a maximum compensation of:

1. Transfer from one municipality to another - \$575
2. Transfer within the same municipality - \$350

Notice of Personnel Action effecting the transfer shall be processed within thirty (30) days of the date of the aforementioned meeting.

In both situations, the merits of each transfer shall be analyzed to determine the amount to be paid, not exceeding those previously set.

Section 4. Relocation of Offices, Workshops, Headquarters, Divisions, Departments, or any other Facility of the Authority

The parties agree that if the Authority decides to relocate offices, workshops, plants, divisions, departments, or any other Authority faculties within the same municipality or from one municipality to another, they shall discuss all the cases of the regular professional employees involved in the relocation in order to determine whether each regular professional employee has necessarily had to move their residence or incur any other economic losses or health damage. Under no circumstances shall a finding of compensable harm exceed the amount set forth in Sections 3-1 and 3-2 of this Article.

Section 5. The relocation of the Authority's headquarters to the Hato Rey area or to any other municipal area of San Juan will not entail any compensation under this Article.

Section 6. Payment of Relocation Expenses and Liquidated Damages

The relocation expenses and liquidated damages covered by this Article shall be paid no later than thirty (30) days from the date of approval of the Personnel Action notice, provided that the amount to be paid has been determined. In cases in which same has not been agreed upon, the thirty (30) days shall be counted beginning

from the date of the meeting at which the agreement is signed regarding the amount of compensation to be paid.

ARTICLE XXV - HOLIDAYS GRANTED AS PAID DAYS OFF FOR REGULAR AND  
SEASONAL PROFESSIONAL EMPLOYEES

Section 1. Holidays Granted as Paid Days off

Regular and temporary professional employees covered by this Agreement shall receive full pay for all regular work hours and shall enjoy paid time off on the following holidays:

January 1	New Year's Day
January 6	Three Kings Day
2 <sup>nd</sup> Monday in January	Eugenio María de Hostos Day
3 <sup>rd</sup> Monday in January	Martin Luther King, Jr. Day
3 <sup>rd</sup> Monday in February	George Washington Day
March 22	Slavery Abolition Day
Movable	Good Friday
3 <sup>rd</sup> Monday in April	José de Diego Day
Last Monday in May	Commemoration Day
July 4	United States of America Independence Day
3 <sup>rd</sup> Monday in July	Luis Muñoz Rivera Day
July 25	Constitution of the Commonwealth of Puerto Rico Day
July 27	José Celso Barbosa Day
1 <sup>st</sup> Monday in September	Labor Day
October 12	Discovery Day
Movable	Election Day
November 11	Veterans' Day
November 19	Puerto Rico Discovery Day
4 <sup>th</sup> Thursday in November	Thanksgiving Day
December 24 (from noon, 12.00 p.m.)	Christmas Eve
December 25	Christmas Day

Section 2. Proclaimed Public Holidays

Days which, by proclamation of the Governor of Puerto Rico or the President of the United States, or by law, are declared holidays to be observed in Puerto Rico in the future,

shall also be deemed considered holidays and included in the foregoing list.

Section 3. Holidays Falling on a Sunday

When a holiday granted as a paid day off falls on a Sunday, the following Monday shall be considered a holiday. When this Sunday is the fifth day in the regular work schedule of a regular or temporary professional employee, it shall be considered a holiday in lieu of Monday and the employee shall receive holiday pay only for this Sunday.

Section 4. Employees with fixed work schedules from Tuesday to Saturday or from Wednesday to Sunday shall be given the days off which Act 121 of December 24, 1991 stipulates are to be transferred for celebration on Mondays, on the first day of their work week immediately following this Monday. The days in question are the following:

2nd Monday in January	Eugenio María de Hostos Day.
3rd Monday of January	Martin Luther King, Jr. Day
3rd Monday in February	George Washington Day
3rd Monday in April	José de Diego Day
Last Monday in May	Memorial Day
3 <sup>rd</sup> Monday in July	Luis Muñoz Rivera Day
July 27 <sup>th</sup>	José Celso Barbosa Day
1st Monday of September	Labor Day

ARTICLE XXVI – PAID TIME OFF GRANTED BY THE AUTHORITY  
IN ACCORDANCE WITH ADMINISTRATIVE DIRECTIVES OF THE  
GOVERNOR OF PUERTO RICO

Section 1. Time Off with Pay

All regular and temporary professional employees covered by this Collective Agreement whose services the Authority deems not necessary to maintain the continuity of services shall be granted time off with basic pay for those hours within their workday that the Authority grants off by virtue of an administrative directive of the Governor of Puerto Rico, as provided in the Sections of this Article. The schedule is regular for the workers tasked with the continuity of the service.

Section 2. Afternoons Off by Governor's Directive

- A. When an afternoon off is granted, the afternoon shall be deemed to cover the period between 12:00 noon and 6:00 p.m.
- B. In the case of afternoons granted off for professional employees whose regular workday

is entirely between 12:00 noon and 12:00 midnight, employees shall have paid time off only for the last half of their workday, and professional employees whose workday ends after noon, shall have paid time off only for those hours of their workday between 12:00 noon and the end of their workday.

- C. When part of an afternoon is granted off, the hours granted off shall be deemed set as of the time designated by the Governor's administrative order and shall end at 6:00 p.m. For professional employees who finish their workday before 6:00 p.m., the hours granted off are those that fall within their workday from the time indicated by this directive until the end of their workday. For professional employees who finish their workday after 6:00 p.m. and on or before 12:00 p.m., the hours to be granted off shall be equal to the number of hours between the start of the hour fixed by the aforementioned directive and 6:00 p.m. and shall be granted in the last part of this workday.

Section 3. Mornings Off by Governor's Directive

When a morning is granted off, the morning shall be understood to cover the period from 6:00 a.m. to 12:00 noon. When part of a morning is granted off, the starting time shall be as set by the Governor's administrative directive and the end of the period shall be 12:00 noon.

Section 4. Half Day Maximum for Sections 2 and 3

In none of the cases covered by the preceding sections of this Article shall the hours granted off exceed one-half of the working day.

Section 5. Day Off by Governor's Directive

When a day off is granted, the day shall be understood to cover the twenty-four (24) hour period of the calendar day from 12:00 midnight to 12:00 midnight the following midnight. Granting a day off shall mean that any eight (8) hour workday or part thereof within the twenty-four (24) hour period of the calendar day shall be considered as time off.

Section 6. Compensation for Work Performed During the Time Off Granted under this Article

When professional employees are required to work during hours to which they are entitled as paid time off pursuant to the preceding sections of this Article, they shall receive overtime compensation only for the time worked during such hours in accordance with the provisions of the Overtime Compensation Article.

ARTICLE XXVII – VACATION LEAVE FOR REGULAR  
PROFESSIONAL EMPLOYEES

Section 1. Annual Vacation Leave balance

Regular professional employees covered by this Agreement shall be entitled to annual vacation leave with full pay up to a total of thirty (30) working days, which shall accrue at the rate of two and a half (2½) working days per each month of the employee's tenure.



Section 2     Deferral of Vacation Time - Payment for Unused Vacation Leave Balance in the Year to which it is Deferred

Regular professional employees who, for their own reasons, chooses not to take the accrued vacation time to which they are entitled during the year, such unused vacation shall be taken during the following calendar year in accordance with the vacation schedule at the end of which the remainder of the unused vacation due to the necessity of the service shall be paid out to such regular professional employee by the Authority.

Section 3.     Vacations Scheduling

Vacation times shall be scheduled in turns to be taken in accordance with a schedule established by the supervisor and the regular professional employee. When preparing this schedule, consideration shall be given to the needs of the service and simultaneous vacation periods within the same department or section shall be reduced to a minimum. Changes may be made to this schedule with respect to vacation dates when circumstances and service needs change, and this shall be discussed in advance with the UEPI representative and the affected regular professional employees.

Section 4.     Vacation Leave Request

Regular professional employees shall request annual vacation leave no less than one month prior to the previously set start date. The immediate supervisor will file this request with the Payroll Department.

Section 5.     Advance Annual Vacation Pay

Annual vacation pay shall be paid in advance, provided that this is stated in the Leave Request. The advance payment will cover only those full pay periods falling within the requested vacation period.

Section 6.     Uninterrupted Vacation

- A. When a regular professional employee is on annual vacation leave and is required by the supervisor, in cases of emergency, and in the interest of the service, to interrupt their vacation and return to work, the regular hours of work corresponding to the vacation covering such interruption shall be compensated at the regular pay rate in a single payment, provided that the regular professional employee has not requested the advance payment of such vacation pay, and the corresponding charge shall be made to the accrued vacation balance. Time worked during the interrupted vacation period shall be paid at the regular hourly wage rate.
- B. Furthermore, an annual vacation for which the supervisor has filed a request with the Treasury Division shall be deemed interrupted if a regular professional employee is notified by their supervisor within the fifteen (15) working days prior to the set vacation start date that the employee will be required to continue working during part or all of the approved vacation period due to an emergency and for the needs of the

service.

- C. However, a regular professional employee may choose to receive payment or take their vacation immediately after the situation that gave rise to the interruption of the vacation has passed or on a mutually agreed-upon date, which shall be stated in the corresponding form. Vacations that have been postponed by the Authority shall be granted with preference.

Section 7. Vacation Accrual during Workplace Accident Leave

Regular professional employees who suffer a workplace accident shall accrue annual vacation during their workplace accident leave up to a maximum of thirty (30) days in each calendar year. For the purposes of such vacation accrual, the time to be considered shall be up to a maximum of twelve (12) months from the date on which such accident occurs. Any excess of twelve (12) months in which the regular professional employee is on Workplace Accident Leave shall not be considered for accrual of annual vacation entitlement.

Section 8. Vacation Payout upon Termination of Service

At the time of separation from service, the Authority shall pay regular professional employees the balance of accrued Annual Vacation Leave to which they are entitled, as certified by the Payroll Department.

## ARTICLE XXVIII - VACATION FOR TEMPORARY PROFESSIONAL EMPLOYEES

### Section 1. Vacation Leave Accrual

Temporary professional employees shall accrue vacation leave at the rate of two point seventy-four (2.74) hours for each week in which they work not less than twenty-two and a half (22½) regular hours. Holidays granted off with pay to temporary professional employees and the days they are absent due to workplace accidents, included in the period of their appointment, shall be deemed worked hours for the purpose of computing the hours worked for the purposes of this Article.

### Section 2. Vacation Leave Balance Payout

Any excess of 22.5 hours of vacation accrued by the temporary professional employees shall be paid out in any of the following situations:

1. Upon appointment as a temporary professional employee.
2. When granted an appointment to terminate their services in a section or department.
3. Upon separation from service.
4. Upon appointment as a probationary professional employee.
5. At the request of a temporary professional employee, this leave shall be paid out in whole or in full in the event of serious illness of such employee, spouse (including childbirths), children, parents, or death of any of such family members, or in any other meritorious case.
6. Given that this Agreement does not stipulate annual leave for temporary employees under a vacation schedule, when a temporary employee is absent for justifiable reasons, such absence shall be charged to their annual leave balance.
7. At the option of a professional employee who is granted a probationary appointment, they shall be allowed to take their annual leave instead of paying out the leave balance as stipulated in Paragraph 4 of this Section. Vacations shall be taken in accordance with the provisions regarding this matter, according to Article XXVII, Vacations for Regular Professional Employees.

## ARTICLE XXIX - SUBSTITUTION OF ANNUAL LEAVE FOR SICK LEAVE

Section 1. When any regular professional employee is on annual vacation and becomes ill for a period of three (3) or more consecutive working days, the working days in accordance with their work schedule within this period shall be charged to Sick Leave, provided the regular professional employee has notified the supervisor during this illness.

Section 2. This substitution of annual vacation is established for the benefit of those who become ill during their annual vacation and would have been unable to attend work had they not been on their annual vacation.

Section 3. A regular professional employee must apply for Sick Leave for Annual Vacation as soon as they return to work. The Authority reserves the right to demand the necessary evidence as proof of illness. This substitution shall not be authorized until the regular professional employee returns to work. The supervisor may authorize a regular professional employee to continue their vacation or set an earlier date for such purposes, where this is convenient for the regular professional employee and if the vacation schedule and the needs of the service so permit, provided that it does not exceed the maximum annual vacation accrual.

#### ARTICLE XXX - SICK LEAVE FOR REGULAR PROFESSIONAL EMPLOYEES

##### Section 1. Sick Leave

- A. Regular professional employees shall be entitled to a maximum of nineteen (19) working days of Sick Leave with basic pay annually, which shall be accrued without limitation at the rate of one point fifty-eight (1.58) working days for each month of employment.
- B. Regular professional employees shall be entitled to use this sick leave with basic pay when, due to illness or accident (excluding accidents on the job), they are unable to perform the duties of their position, or when an employee's family member contracts a contagious disease requiring the professional employee to submit to quarantine, or when by reason of their contact with diseases recognized by the medical profession as being highly contagious, it is judged that the employee's presence in the workplace may be detrimental to the health of others. In such cases, the Authority reserves the right to require such evidence as it deems necessary as proof of such situation. Diseases requiring quarantine are: cerebrospinal meningitis, typhoid and any other disease certified by the Health Department. Regarding typhoid, only professional employees who are contacts are covered.

Section 2. Advanced Sick Leave

- A. In the event of non-occupational illness documented by medical certification and lasting for 4 days or more, and at the option of the Authority, certified by the Authority's Consulting Physician, a regular professional employee shall be advanced Sick Leave up to a maximum of forty-five (45) working days when they have exhausted the accumulated Sick Leave. The total of the Leave so advanced shall be charged to the subsequent accrued sick leave. In the cases indicated above, annual leave shall not be charged until the advance sick leave to which they are entitled has been exhausted.
- B. In deserving cases of extraordinarily prolonged illnesses duly verified by the Authority's physician in which a regular professional employee who has one (1) year or more of service in this capacity has exhausted their Sick Leave, Advanced Sick Leave and their accrued annual vacation, the Authority shall grant such regular professional employee Extraordinary Sick Leave with basic pay up to a maximum of sixty (60) working days. Sick Leave so advanced shall not be charged to any leave accrual.
- C. Regular professional employees in the process of being retired due to physical or mental disability, shall be granted Extraordinary Sick Leave with basic pay by the Authority until their retirement takes effect, subject to the conditions stipulated in Section B of this Article.
- D. For any employee departing due to retirement, separation from service or resignation with a balance owed for Sick Leave advance(s), this balance shall be charged to the employee's accrued benefits prior to separation from service.

Section 3. Sick Leave for Medical Examination and Treatment

- A. To facilitate visits by regular professional employees to a physician or other health care professional for examination or treatment, Sick Leave shall be granted to cover the time off work caused by the need for visits to such practitioners to minimize the likelihood or prolongation of illness.
- B. Sick leave based on the above reasons shall be requested as far in advance as possible and upon return of the regular professional employee, they shall provide their immediate supervisor with the original medical certificate or attendance certificate, signed by the physician, who shall indicate the time, date, telephone number, address, and professional license number.

Section 4. Falsely Claiming Illness

Any professional employee who deceitfully claims illness to justify their absence from work shall be subject to disciplinary action to the extent determined by their misconduct or recurrence of such misconduct.

Section 5. Purpose of Sick Leave

- A. Sick leave is established for the strict benefit of the regular professional employee when they have to remain absent from work due to personal illness. When the absence due to illness lasts for a period exceeding three (3) days, the Authority reserves the right to demand the necessary evidence as proof of the illness.
- B. Sick leave has not been established for the purpose of extending Annual Vacation or replacing Annual Vacation and should not be used for either purpose.

ARTICLE XXXI - ACCRUED SICK LEAVE PAYOUT PLAN

Section 1. Payout of Accrued Sick Leave

Regular employees covered by this Agreement may choose between the Sick Leave Payout Plan established herein, or a credit of the accrued balance of such Leave as service time for retirement purposes, as stipulated in Article XLII, Retirement System, at the rate of one (1) month of creditable service for each one hundred and twelve point five (112.5) hours of accrued Sick Leave. Payouts are subject to the availability of funds at the time of the application.

Section 2. Regular employees who opt for the Accrued Sick Leave Payout Plan established herein shall not be eligible for the Unlimited Sick Leave Accrual System.

Section 3. Payout Plan

A maximum accrual of six hundred and seventy-five (675) hours of Sick Leave and a Payout Plan in excess of this accrual is hereby established in accordance with the following procedure:

1. Regular employees who opt for this Payout Plan and who, at the time this Plan becomes effective, have accrued Sick Leave, at the end of each calendar year, in excess of six hundred seventy-five (675) hours.

2. The balance in excess of six hundred and seventy-five (675) hours, in accordance with the certification of available funds, over the employee's prevailing salary at the time the employee becomes eligible for this Plan.
3. If the employee does not have six hundred and seventy-five (675) accumulated hours at the time of joining the Plan, the balance of this unused Leave during the year will be accrued until it reaches the maximum hours, which will be disbursed as stipulated above.

Section 4. Unused Annual Sick Leave Payout

In each calendar year in which the employee reaches the maximum accrual of six hundred and seventy-five (675) hours, the excess shall be liquidated and paid no later than July 31 of each year, according to the certification of available funds.

Temporary professional employees of the Appropriate Unit of this Agreement who are appointed as regular employees will be eligible for the Payout Plan, subject to the same conditions established for regular employees.

ARTICLE XXXII - SICK LEAVE FOR TEMPORARY PROFESSIONAL EMPLOYEES

Section 1. Accrual of Sick Leave

Temporary professional employees covered by this Agreement with six (6) months or more of service with the Authority shall be granted Sick Leave at the rate of two point zero nineteen (2.019) hours for each week of no less than twenty-two and a half (22½) regular hours worked, considering the provisions of Section 4 of this Article.

Section 2. Records of Sick Leave Accruals

The temporary professional employee's section supervisor shall keep a record of Sick Leave accruals. When such professional employee leaves employment within said section, the supervisor shall give them a record of their accumulated Sick Leave and retain a copy for their records and shall in turn give the same to the new supervisor if they are re-employed.

Section 3. Purpose of Sick Leave

Sick leave is established strictly for a temporary professional employee's benefit when they have to remain absent from work due to personal illness. When the absence due to illness extends for a period of two (2) days or more, the Authority reserves the right to demand the necessary evidence as proof of the absence.

Section 4. Cancellation of Sick Leave

The Sick Leave balance accrued by a temporary professional employee shall be canceled upon termination of their services with the Authority, provided this separation from service exceeds ninety (90) calendar days.

Section 5. Transfer of Sick Leave Balance

Sick Leave accrued by a temporary professional employee shall be transferred to their Sick Leave balance when they become a regular employee, subject to the provisions of Section 4 of this Article.

However, a temporary worker may, at their discretion, opt for payout of the accrued Sick Leave at the time of their regular conditional or probationary appointment.

ARTICLE XXXIII - MATERNITY LEAVE

Section 1. Female regular professional employees shall be granted a period of four (4) weeks of rest before childbirth and another four (4) weeks after childbirth and shall receive full pay during these eight (8) weeks at their regular pay rate.

Section 2. Requests for Maternity Leave must be submitted at least one (1) month prior to the date on which the Maternity Leave is to be taken and must be accompanied by a medical certificate indicating the approximate date on which the birth will take place.

Section 3. If the childbirth occurs before the regular professional employee has had four (4) weeks of rest, the period of rest after childbirth shall be extended until the total period of rest with eight (8) weeks' pay has been completed.

Section 4. If the childbirth occurs after the four (4) weeks granted for rest prior to the childbirth or if the regular professional employee suffers any illness as a direct consequence of the childbirth that prevents her from returning to work, Maternity Leave shall be extended for a period not exceeding four (4) weeks to complete the four (4) week rest period after the childbirth or to recover from her illness, provided that before the end of the eight (8) week rest period the regular professional employee presents a medical certificate indicating the date of the birth or stating the inability to return to work due to illness caused as a direct consequence of the birth, as the case may be. This additional period shall not exceed a total of four (4) weeks and shall be charged to Sick Leave or as Advanced Sick Leave if the employee does not have accrued Sick Leave. Maternity Leave including the additional period shall not exceed twelve (12) weeks and the regular professional employee shall not receive any compensation for any additional period in excess of said twelve (12) weeks for this purpose.



Section 5. An employee who demonstrates by means of a relevant medical certification that she is able to continue working without taking leave during the period for the time authorized by her doctor, will retain the remainder of the unused leave in the pre-natal period after the date of delivery, thus extending her leave in the post-natal period, with the same guarantee of payment.

During the time in which the professional employee is taking leave under this Article, she shall accumulate vacation and sick leave as if she had remained working. Any employee who wishes to take this leave shall present to her supervisor the corresponding medical certificate indicating the likely delivery date.

In cases of premature birth, miscarriage, or involuntary abortion, including in the latter case, those legally induced by medical doctors, suffered by the mother at any time during pregnancy, the professional employee shall be granted the leave of absence established in this Article.

The leave stipulated in this Article shall also be granted in cases of adoption, provided that the employee requests it from her supervisor at least one (1) month prior to the date on which the leave is to be taken. This application must be accompanied by documents certifying the adoption proceedings. The eight (8) weeks shall commence on the day the professional employee receives the child for adoption. An adopting professional employee shall receive the benefit of Maternity Leave when adopting a pre-school child, meaning a child under five (5) years of age who is not enrolled in a school institution.

Section 6. Regarding other benefits applicable to public corporations of the Commonwealth of Puerto Rico related to this Maternity Leave reference is made to Act No. 3 of March 13, 1942, as amended, the Regulations of the Department of Labor and Human Resources for the Administration of said Act, the Lactation Leave Act, Act 427 of December 16, 2000, and the Authority's administrative rules.

Section 7. The Authority will grant temporary professional employees maternity leave for the appointment period. Maternity leave shall not exceed 8 weeks. During this period the employee shall earn her full salary. To apply for leave, the employee shall satisfy the same requirements as a regular employee. If the childbirth occurs before an employee takes prenatal leave or if an employee suffers an illness as a direct consequence of the childbirth that prevents her from returning to work after exhausting her maternity leave, the same criteria as for a regular employee will apply.

An employee may request reinstatement to work before the expiration of the post-partum leave period, provided that she submits medical certification that she is fit to perform her duties. In this event, the employee shall be deemed to have waived the corresponding balance of unused maternity leave to which she would have been entitled.

#### ARTICLE XXXIV - LEAVE OF ABSENCE DUE TO WORKPLACE ACCIDENTS

Section 1. If a regular professional employee is required to be absent from work due to a workplace accident, and upon the advice of the State Insurance Fund Physician, the Authority shall pay the regular professional employee their full salary for regular hours of work up to a maximum of one hundred and four (104) weeks during the time of their absence, commencing with the accident date. And if the employee is required to be absent from work as a consequence of this accident on the advice of the State Insurance Fund Physician for more than one hundred and four (104) weeks, the Authority shall pay the regular professional employee eighty percent (80%) of their salary for the regular work hours up to a maximum of fifty-two (52) additional weeks, less the amount of the weekly compensation that the regular professional employee may receive from the State Insurance Fund during the period of disability included within this one hundred and four (104) or one hundred and fifty-six (156) weeks, as the case may be.

Section 2. A regular professional employee may take Sick Leave and Advanced Sick Leave if entitled when they have exhausted their Workplace Accident Leave.

Section 3. While a regular professional employee is on Workplace Accident Leave, the Authority may perform such medical examinations as it deems relevant to determine whether the condition arising as a consequence of the accident persists.

A. If the Authority's physician determines that the injured regular professional employee is able to perform the duties of their position, the regular professional employee shall immediately cease to receive the Paid Leave under this Article. Until the aforementioned physician makes a determination, the determination of the State Insurance Fund shall prevail, and the regular professional employee shall be paid the corresponding salary. Where an employee's Accident Leave is suspended, the employee shall be able to take accrued leave.

- B. If the Authority's physician determines that such regular professional employee is totally and permanently unable to work, the Authority will recommend their retirement and the regular professional employee shall continue to receive the Paid Leave established in this Article until the date on which this retirement becomes effective. Under no circumstances shall the Leave so granted exceed the amount of the benefits granted under this Article.

Section 4. If a regular professional employee refuses to undergo the medical examinations required by the Authority, they shall be deemed to have waived the Workplace Accident Leave contained in this Article.

Section 5. In any case in which a regular professional employee disagrees with the Authority's physician's determination and produces medical evidence from a specialist in the condition from which they suffer that contradicts this opinion, the employee shall be referred to a physician who is a recognized specialist in the condition that is the subject of the dispute. The employee shall have thirty (30) calendar days from receipt of the Authority's physician's determination to file such medical evidence. This notice may be in writing or by telephone to the employee or the Union.

The third physician shall be selected by mutual agreement between the Head of the Occupational Health Division and the President of the Union, or their designee, within ten (10) working days of the date when the employee submits the aforementioned medical evidence. If the physician selected by the parties determines that the employee's position has prevailed, the payroll will be corrected accordingly. The third physician's decision shall be final and not subject to appeal.

The third physician's fees shall be paid equally by the Union and the Authority, regardless of the third physician's determination.

Section 6. The Authority reserves the right to carry out the relevant investigations to determine if an employee is making improper use of the Leave under his Article. The foregoing shall not be construed as acceptance of the violation of the employee's rights and privacy.

Section 7. The provisions of this Article shall not affect any rights an employee may have under the State Insurance Fund.

ARTICLE XXXV - LEAVE OF ABSENCE FOR FUNERALS OF FAMILY MEMBERS

Section 1. The period indicated below shall be granted off with pay during the regular workday, without this being charged to the accrued vacation balance, upon the death or funeral of a professional employee's biological or adoptive mother, biological or adoptive father, spouse, or children. Regarding biological parents or adoptive parents, the leave shall be granted exclusively to one of the circumstances.

1. Regular Professional Employees - three (3) consecutive days or at the employee's option and with prior notice to their supervisor, they may postpone the use of up to two (2) of these days which must be used within thirty (30) calendar days following the family member's death.
2. Temporary Professional Employees - two (2) consecutive days or at the employee's option and with prior notice to their supervisor, they may postpone the use of one (1) of these days which must be used within thirty (30) calendar days following the family member's death.

Section 2. In the event of the death of siblings or grandparents, time off shall be granted without being charged to accrued vacation leave on the working day on which the funeral takes place. This benefit applies to regular and temporary employees.

ARTICLE XXXVI - LEAVE FOR EMERGENCY WORK DURING THE EARLY MORNING HOURS FOR REGULAR AND TEMPORARY PROFESSIONAL EMPLOYEES

Section 1. Leave Requirements and Purposes

This is a Special Leave of Absence which shall be granted to regular and temporary professional employees who have been required to perform emergency work during hours outside their regular schedule between 12:00 midnight and 6:00 a.m. or between 12:00 midnight and 7:00 a.m., when such professional employees have started work on or before 4:00 a.m., even though such emergency work may have been scheduled in advance. This Leave is for the purpose of providing a rest period during their regular hours immediately following the emergency work; it being understood that, when the emergency work is performed in the early morning hours immediately preceding the workday of the first workday, the rest period shall be granted on that workday.

Section 2. Leave Hours to be Granted to Regular and Temporary Professional Employees

The leave hours granted to regular and temporary professional employees shall be equal to one and a half (1½) times the hours worked during the early morning and shall not exceed the maximum of seven and one-half (7½) regular hours of their workday and shall not be charged against any of their accumulated leave, nor reduced from the time worked during the emergency.

Section 3. Exclusive application to Early Morning Emergency Work

This special type of leave will only cover early morning emergency work and will not apply to work included in a regular work schedule.

Section 4. If the emergency work extends into the regular workday hours, a regular or temporary professional employee shall be paid for the regular workday hours to which they were entitled to have off in accordance with this Special Leave provision, at double the regular pay rate, including basic pay or granted pay and per diem allowances as set when applicable.

Section 5. If the regular or temporary professional employee is granted part of the hours of rest to which they are entitled, the remainder of the hours of rest that they are required to work shall be paid at double the regular pay rate, including the basic pay or the pay granted and the per diem allowance as set when applicable.

ARTICLE XXXVII - LEAVE OF ABSENCE FOR TWENTY-FOUR (24) CONSECUTIVE HOURS ON ROTATING SHIFTS

Any professional employee on a rotating shift who works twenty-four (24) consecutive hours shall be granted paid time off for their next regular workday, where sixteen and a half (16) hours of rest have not elapsed from the end of this twenty-four (24) hour period until the beginning of their next regular workday. Any professional employee who is required to work on their next regular workday without this period of sixteen and one-half (16 1/2) hours of rest having elapsed, shall receive pay at double their regular pay rate including base pay.

ARTICLE XXXVIII - MILITARY SERVICE LEAVE

Professional employees covered by this Agreement shall be subject to extant administrative provisions and federal and state laws applicable to public corporations with respect to military service leaves.

ARTICLE XXXIX - LEAVE OF ABSENCE FOR UEPI OFFICERS AND REPRESENTATIVES

Section 1. When UEPI officers or representatives wish to discuss official business or grievances with the Executive Director, department heads or authorized representatives, they will be granted Paid Leave without charge to their accrued vacation entitlement.

Section 2. In discussing such official business, the UEPI President or Officer or their delegate may be accompanied by a professional employee member of the Union, when such employee is needed as an advisor because of their knowledge of the subject matter to be discussed. This employee must belong to the Department or Section if the grievance or dispute arises or to another department if there is no person qualified to give advice on the matter. A professional employee who serves as an adviser shall be granted Paid Leave for such purpose without charge to their leave accruals. The request for this employee's services as an adviser, as well as the Leave of Absence to be granted, shall be communicated to the employee's immediate supervisor no less than twenty-four (24) hours in advance except in cases of extreme urgency.

Section 3. When the Union officer or representative arranges an interview directly with the Authority official (Executive Director, Directors, Department Head, Department or Section Supervisor), they shall notify their immediate supervisor in advance. The Authority shall grant this leave, provided that the continuity of the service provided by the department or section in question is not interrupted.

Section 4. Union members on the various committees created in this Collective Agreement shall be granted Paid Leave without charge to their annual vacation balance when officially required to attend meetings of their respective committees.

For the purpose of granting this Leave, the secretaries of the various committees shall give sufficient advance notice and confirm in writing the date and time of the meetings of their respective committees to the supervisors of the members comprising the committees.

Section 5. The UEPI President or Vice President shall be granted leave with pay without charge to their annual vacation balance when they are required to go to the Labor Relations Board or the Bureau of Conciliation and Arbitration of the Department of Labor and Human Resources to hear cases in which the Authority and the UEPI are involved. Where both attend, the President of the Union shall be granted the Leave.

Section 6. The following UEPI board members shall be granted Paid Leave once a month without charge to their annual vacation balance: President, Vice President, Secretary, Treasurer, Sergeant at Arms and two members; for when they need to meet previous the day in relation to the matters to be discussed in the Conciliation Committee established in Article IX, Grievance Resolution and Arbitration Procedure. UEPI shall notify the Labor Relations Division five (5) working days in advance of its intention to meet. This enables the Authority to make the relevant arrangements regarding the time certification.

ARTICLE XL - PAY RATES

Section 1. The Authority shall grant the following salary increases during the term of the Collective Agreement:

<u>Effective Date</u>	<u>Increase in Base Pay</u>
December 16, 2007*	4% or a minimum of \$100 per month
December 14, 2008	4% or a minimum of \$100 per month
December 13, 2009	4% or a minimum of \$100 per month

**\* This increase will not be taken into consideration for purposes of overtime adjustments, vacation payout, or any other payments made between December 16, 2007, and the date that this Agreement is signed.**

Section 2. When the Authority needs the services of any professional employee covered by this Agreement to perform work for other entities outside the Commonwealth of Puerto Rico, their regular salary rate shall be increased during their period outside the Commonwealth of Puerto Rico by twenty-five percent (25%), and when working for the Authority itself outside the Commonwealth of Puerto Rico, the increase shall be twenty percent (20%).

Section 3. Guidelines for Assigning Salary to UEPI Appropriate Unit Employees

A. New Recruitment

Newly recruited employees will be placed within December 21, 2003, Recruitment Salary Structure, whether Professional, Engineers or Programmers and Analysts, at the Starting Salary Level of the Occupational Group in which the position is located.

B. Merit or Seniority Levels

When an employee satisfies the requirements for a merit-based step increase, as stipulated in Article XIX, *Merit steps*, the employee shall be assigned the following step, as indicated in the applicable Pay Structure, identified in Section 4 and annexed as Appendices I and II to this Agreement.

C. Reclassifications

1. Reclassified employees shall be moved to the Occupational Group corresponding their new classification and shall be maintained at the same Merit step acquired prior to the reclassification in the applicable pay structure identified in Section 4.

2. Based on this salary, merit steps shall be assigned as provided in Article XIX, Merit steps, in compliance with the provisions of Article XIV of the Collective Agreement.

D. Promotions and Substitutions

When an employee is promoted to a position class that within the same Pay Structure, the following applies:

1. The employee will move to the Occupational Group in which the new position is located and will be assigned to the salary level that warrants an increase equivalent to a merit step, never lower than level one (1) of the corresponding occupational group, within the applicable salary structure as identified in Section 4.
2. Based on this salary, merit steps shall be assigned pursuant to Article XIX, Merit Steps, in compliance with the provisions of Article XX of the Collective Agreement.

Employees Coming from Another Appropriate Unit

1. When an employee who comes coming from another Appropriate Unit or from management moves to a position within the UEPI Appropriate Unit, if their pay exceeds the starting salary indicated by the occupational group to which the position belongs within the Pay Structure (Section 4.B) or does not coincide with any of the merit steps of this occupational group, the salary will be adjusted to the next higher level.
2. If the employee's pay is less than the starting salary of the occupational group to which the UEPI Appropriate Unit position pertains, the pay will be adjusted to level 1 of the Pay Structure (Section 4.B).
3. From this pay, merit steps shall be assigned as stipulated in Article XIX - Merit Steps.

Section 4. Pay Structures (Scales)

- A. New Recruitment - UEPI Salary Structure (Professional, Engineers or Programmers and Analysts) of December 21, 2003.
- B. 2006-2007 UEPI Salary Structure (Professional, Engineers or Programmers and Analysts) incorporating the increases granted during the term of this Agreement (3 years).



- C. Vacancy postings shall include the starting salary for the position according to both scales.

#### ARTICLE XLI - MEDICAL PLAN

Section 1. The Authority agrees to pay directly to the organization providing the services of the Health Benefits Program, the monthly fee or premium in effect during the term of this Agreement for the Family Unit Plan of the regular workers or workers with regular status with special appointments who qualify for and take advantage of the Health Benefits Program offered by the organization providing the services or any other organization selected offering the benefits established in the Comprehensive Health Plan - Plan A, contracted by the Authority with the successful insurance company bidder. These benefits are published in the Subscriber's Guide booklet published by that organization.

The Family Unit shall consist of the regular or specially appointed professional employee's spouse and children, as determined by the Authority's procedures on the date that this Agreement is signed, or such organization as the Authority may select. Children under the age of nineteen (19) and up to the age of twenty-three (23) who are dependents of the employee and who are studying in or outside of Puerto Rico at a recognized university or college may continue to be covered by the Health Benefits Program, provided they submit evidence of being a regular and full-time student. Furthermore, disabled children up to the age of forty-five (45) shall be entitled to receive the Health Benefits Program services, provided that the employee presents the necessary medical evidence documenting the disability. This evidence shall be submitted to the Head of the Occupational Health Department, who shall forward it to the Authority's Health Benefits Program Advisor to evaluate and consider the certification on or before thirty (30) calendar days of the employee's submission of the documents to the Authority.

The Authority further agrees, upon written authorization, to deduct from regular or specially appointed professional employees' salaries and remit to the successful bidder or to any other organization selected by the Authority the contribution that such regular professional employees are required to pay to cover others not included in the Family Plan. This Plan for Hospitalization, Medical-Surgical, Dispensary or Medical Directory, Drug Deductibles and Dental will be subject to the regulations and conditions to be agreed with the successful insurance company bidder or with any other organization selected by the Authority.

Section 2. Authority's Contribution for Temporary Professional Employees

The Authority agrees to pay contributions for medical expenses directly to the organization providing the Health Benefits Program services during the term of this Agreement for temporary professional employees who put in six (6) months or more of service with the Authority.

A temporary employee who requests the benefits of the Health Benefits Program and includes their Family Unit shall pay the monthly economic contribution stipulated in the Health Benefits Program contract in force for these purposes.

Section 3. Contributions by the Authority to Another Organization Providing the Services

If the UEPI decides to change the organization providing the services indicated in this Article, it shall inform the Authority of this with sufficient notice. In such case, the Authority shall pay directly to the UEPI-selected service provider organization the same amounts paid by the Authority for the Family Unit plan fees for Hospitalization, Medical-Surgical, Dispensary or Medical Directory, Drug Deductibles and Dental or Individual services for the other regular employees of the Authority. If the Family or Individual Group Health Benefits Program fee for Hospitalization, Medical-Surgical, Dispensary or Medical Directory, Deductible Drugs and Dental services fixed by the organization selected by UEPI is greater than the contribution made by the Authority for other regular employees, the difference between the amount contributed by the Authority and the fees fixed by the organization shall be deducted from the salaries, by individual authorization of the professional employees.

Furthermore, additional amounts to be paid by professional employees to cover others not included in the Family Plan will be deducted from their salaries.

ARTICLE XLII - RETIREMENT SYSTEM

Section 1.

- A. The parties agree that the Retirement System of the Authority's employees currently in effect shall continue to operate subject to such proposals for improvements submitted by the parties to and accepted by the Board of Trustees of the Retirement System, or as the Board of Trustees of the Retirement System itself may deem appropriate.

B. Regular, probationary, and temporary professional employees covered by this Agreement shall belong to the Electric Power Authority Employees' Retirement System, in accordance with the law and the regulations of said System.

Section 2. Verification of Accrued Sick Leave at Retirement

The Authority shall contribute to a special fund in the Electric Power Authority Employees' Retirement System during the term of this Agreement the actuarially calculated amount necessary to pay a benefit to regular and temporary professional employees covered by this Agreement, who leave active service with the Authority for one of the following reasons: retirement due to physical or mental disability, as determined by the Authority's physician or the third physician and approved by its Board of Trustees; retirement on the grounds of age or time in service and age, or if on an actuarial pension; or separation from service because of attainment of retirement age. The benefit to be granted upon separation from service for the aforementioned reasons shall be as follows: the Accrued Sick Leave balance as of the date of termination of active service with the Authority shall be credited as time in service at the rate of two (2) hours for each hour of unused Sick Leave, for the purpose of completing and/or increasing the years of service for retirement or pension purposes. If the regular professional employee or regular specially appointed professional employee does not belong to the Authority's Retirement System, this additional benefit shall be paid to them as if they were a member of said Retirement System.

Section 3.

The parties agree that the insurance covering personal loans from this Retirement System in the event of death or retirement due to physical disability shall continue to operate in accordance with the existing rules and those that the Board of Trustees of this Retirement System and the Authority may deem appropriate.

ARTICLE XLIII - DISABILITY, RETIREMENT, OR DEATH BENEFITS

Section 1. Authority's Contribution to the Retirement System

The Authority shall contribute to a special fund in the Puerto Rico Electric Power Authority Employees Retirement System during the term of this Agreement the actuarially calculated amount necessary to pay a benefit to regular professional employees, whether or not they belong to any retirement system, who leave the Authority's active service for one of the following causes: retirement due to physical or mental disability, retirement due to age, or time in service and age; or if they receive an actuarial pension,

termination of service due to attainment of retirement age; or death of the professional employee.

This benefit will be as follows:

- |    |   |          |
|----|---|----------|
| a. | Retirement, Disability, or General Death  | \$ 7,500 |
| b. | General Death resulting from the performance of duties.   | 20,000   |
| c. | In the event of death during the performance of duties of one of the workers included in Section 3 of Article XLIX, <u>Special Annual Risk Compensation</u> . | 50,000   |
| d. | Physical disability resulting from the performance of duties ascertained by the General Authority's physician.  | 8,500    |

Note: In the event of the death of an employee during the performance of their duties, their children aged up to nineteen (19) and/or twenty-three (23) shall be covered by the Medical Plan - A, subject to its terms and conditions, provided the children are regular university students and the surviving spouse does not remarry. This benefit will be subject to the presentation of the documents and evidence required by the Authority.

It is clarified that the Authority's physician, in the cases of Paragraph d, shall verify the existence of the disability resulting from the performance of their duties for the sole purpose of these paragraphs.

Under no circumstances shall more than one of these benefits be paid at the same time. These benefits shall be in addition to any other benefits to which such employees may be entitled and shall be subject to the conditions set forth below.

Section 2. Eligibility Requirements for this Benefit

Any regular professional employee or regular specially appointed professional employee shall have left the active service of the Authority and shall have been pensioned off or retired due to physical or mental disability from the Retirement System to which they belong, or if they do not belong to any retirement system, shall have established their physical or mental disability in accordance with the regulations of the Retirement System of the Employees of the Puerto Rico Electric Power Authority; have retired due to age or due to time in service and age, or have received an actuarial pension from the retirement system to which they belong, or if they do not belong to any retirement system, have retired due to attainment of retirement age or have the time in service and age in accordance with the regulations of the Retirement System of the Employees of the Puerto Rico Electric Power Authority; or have died, in which case the beneficiaries of the regular professional employee must present the Death Certificate of such employee, as required by the regulations of the retirement system to which they belong, or if they do not belong to any retirement system,

the beneficiaries must have complied with the regulations of the Puerto Rico Electric Power Authority Employees' Retirement System to establish satisfactory proof of their death.

Section 3. Effect of Payment of this Benefit

The obligation contracted by the Authority in this Article shall be fulfilled once a regular professional employee or regular specially appointed professional employee has been paid at any time the benefit to which they would be entitled upon separation from active service with the Authority due to one of the aforementioned reasons, either due to physical or mental disability; retirement on the grounds of age or time in service and age, or actuarial retirement; separation from service due to attainment of retirement age or due to completion of time in service and age; or death. Where such professional employee returns to the Authority's service, they shall not be entitled again to any of the benefits provided in this Article, for the amount that would have been paid to them, that is to say, they shall only be entitled to the difference due to increase, if any.

Section 4. Funeral Expenses

In the event of a regular professional employee's death, the Authority shall contribute the sum of one thousand, two hundred fifty dollars (\$1,250) for funeral expenses.

This amount will be paid to the person specially designated by the employee, upon submitting documentation of the death or the Death Certificate.

Section 5. Death Benefit for Temporary Employees

The Authority shall pay a temporary employee's beneficiaries the sum of \$5,000 in the event of the temporary employee's death.

Section 6. Death Benefit as a Consequence of Natural Disaster

In the event of a regular employee's death in the performance of their duties in the field, during a period of reconstruction of the electricity system following a natural disaster, the death payment contained in Section 1-C shall apply, regardless of their classification.

**ARTICLE XLIV - LOANS FOR THE PURCHASE OF PRIVATE MOTOR VEHICLES**

Professional employees covered by this Agreement shall be subject to the administrative provisions in effect regarding loans for the purchase of private motor vehicles to be used partially in the Authority's official business.

#### ARTICLE XLV - MILEAGE AND ADDITIONAL FIXED ALLOWANCE

Professional employees covered by this Agreement shall be governed by the administrative provisions in effect regarding the Mileage and Additional Fixed Allowance paid by the Authority to personnel who use their private vehicles on official Company business.

#### ARTICLE XLVI - TRAINING

##### Section 1. Training in Cases of Promotion and Training Placements

- A. When the Authority needs to assign a professional employee for training for a higher position with duties of a different nature from those of the position presently held, a conditional training appointment shall be issued for a period not to exceed six (6) months of actual training. The professional employee shall be selected as stipulated in Article XIII of this Agreement. The training referred to in this section shall be limited to positions whose duties require technical and/or specialized knowledge that employees cannot be determined to have based on their academic preparation.
- B. When the Authority is unable to obtain personnel who satisfy the experience requirement of a position it may advertise such position for training among professional employees. Such posting under the terms of this paragraph shall require having individuals among the applicants who, in the Authority's opinion, may through such training, not to exceed six (6) months, complete the experience requirement necessary to satisfactorily perform the duties of such position. The candidate best qualified based on preparation and previous experience to take advantage of the training referenced above will be selected from among the candidates.
- C. When a professional employee is given a conditional appointment to pursue a training as stipulated in Paragraphs A and B of this Section, they shall continue to earn the pay of the previous position.  
Upon satisfactory completion of the training referred to in Paragraphs A and B of this Section, the professional employee shall be assigned to the position in which they received the training and shall be paid the salary for that position.
- D. If a regular professional employee is not permanently appointed to the position for which they receive training, they shall be reinstated to their previous position. Appointments of other professional employees as a result of the training of a regular professional employee shall also be conditioned upon satisfactory approval of the regular professional employee's training and their final appointment to the same or a higher position.

- E. For temporary professional employees, this training will be equivalent to their probationary period. Temporary professional employees who do not successfully complete such training will be suspended from training and will be considered for any employment opportunity for which they are eligible. If no opportunity exists, the employee will pass to the corresponding register.
- F. In cases of promotion, if a regular professional employee is required to spend a short period of time not exceeding six (6) weeks to familiarize themselves with the duties of the higher position, they shall be paid the salary corresponding to said position, as stipulated in this Agreement for cases of promotion.

Section 2. Training in cases of Restructuring, Mechanization, Automation or New Systems or Procedures Created

- A. When a need to amend the duties and functions of some positions arises for reasons of restructuring, mechanization, automation or the new systems or procedures created, the Authority shall offer training in the new duties to the affected regular professional employees.
- B. When the Authority needs to train personnel as a result of restructuring, automation or new systems or procedures created, priority for such training shall be given to the best qualified regular professional employees.  
It is provided that the regular professional employees with the longest service in the Authority will be selected from among the best qualified.

Section 3. The provisions of this Article shall apply in cases of training for newly created positions at the commencement of operations of a new nuclear thermal power plant or new nuclear thermal power units, or new electric power production units.

Section 4. No per diem allowance shall be paid in any training situations and the following provisions shall apply:

- A. The Authority shall determine the positions that shall be subject to training, as well as the requirements, preparation, nature, content of the course or its location, as well as the personnel or institution to offer it.
- B. Use of professional employees shall be determined by such periodic examinations as the Authority may deem necessary. It is understood that if a professional employee does not pass these examinations, they may be dismissed from the professional employee category and will return to their former position or status before their selection for training.



- C. During training, the daily or weekly work schedule shall not exceed the professional employee's regular shift pay.
- D. Where deemed necessary, the Authority will send all or some staff to continue or complete the theoretical or practical training at other generating stations.
- E. Accrued vacation shall be taken in accordance with a special schedule that shall not conflict with the demands and conditions of training.
- F. A regular, temporary, or eligible professional employee selected from the Register of Eligible Staff for training shall be awarded the training position conditional upon passing same, and if the employee does not pass the training, they shall return to their original status as regular, temporary, or eligible professional employee on the Register of Eligible Staff, as the case may be. It is understood that a regular professional employee will be reinstated to their previous position and salary. Temporary professional employees who do not have the opportunity to continue working as such will be placed on the Register of Suspended Non-Regular Professional Employees.
- G. In the event of discrepancies in the allocation of training slots, the Authority and the Union agree that the Appointment Committee shall give preference to these cases in order to expedite the allocation of training slots.
- H. Positions awarded to other professional employees as a result of the training of a regular professional employee shall also be conditioned upon the professional employee's satisfactory completion of the training.
- I. Upon satisfactory completion of such training, the position will cease being conditional and will be deemed permanently assigned to a professional employee. The pay shall be that corresponding to the position's occupational group.
- J. Once the professional employee successfully completes the training, they shall perform the duties of the position for which they have been trained for a period of no less than two (2) years.
- K. Any professional employee who does not successfully complete the training will have to wait a reasonable time before reapplying for training opportunities in the same class (Class Title), unless they demonstrate that they have pursued training courses following the unsuccessful outcome. For the purposes of this Section, the following shall be considered reasonable waiting time:



1. One (1) year after failing to successfully complete the first training.
  2. One (1) year from the date of failure to successfully complete the second training.
  3. One and a half (1 1/2) years from the date of failure to successfully complete the third training.
  4. Two (2) years from the date of failure to successfully complete the third training in subsequent opportunities.
- L. Professional employees allocated training positions must undergo the physical examinations required by the Authority and the regulatory agencies.

Section 5. Professional employees shall take the improvement courses that are related to their duties and that the Authority determines necessary to offer to its staff. The Authority shall impartially select the personnel to take such courses. In these improvement courses, professional employees will be required to pass such examinations or tests as may be administered.

As to continuing education courses required by law for certain professions, time not exceeding the regular workday shall be granted as paid leave of absence without charge to accrued vacation entitlement, provided that the services offered by the Authority are not affected. A professional employee shall request such leave 30 days in advance from the immediate supervisor for the absence to be deemed justified.

Section 6. Merit Steps During Training

In all cases in which a regular professional employee is assigned to receive training in a higher position than the one presently held, the time spent in training shall be credited toward the time required for a progression in the merit steps to which they were entitled in their previous position, as stipulated in Article XIX of this Agreement. Failure to satisfactorily complete such training shall not be a reason to deprive the employee of such progression in merit steps, except in cases of failure to fulfill the requirements of this Article.

Section 7. The UEPI may recommend acquiring reference books that regular professional employees need to perform their duties. The Authority will consider the UEPI's recommendations and will have discretion as to whether or not to acquire such books.

## ARTICLE XLVII - ACADEMIC STUDIES

The Authority agrees to pay regular professional employees the amount of credits in courses up to a maximum of \$500 at an Educational Institution accredited by the Board of Higher Education. This contribution shall be subject to the following conditions:

- A. A written request must be submitted to the Director of the corresponding Directorate.
- B. This contribution will be reimbursed by the Authority within thirty (30) days upon submission of the application and copy of the class schedule or registration.
- C. Once the employee completes the courses, they shall submit to the Director of the corresponding Directorate a copy of the class schedule or registration and proof that they have passed the credits taken. If the employee does not pass the courses, they agree to reimburse the Authority.
- D. The courses must be related to the employee's work or in matters of service need.
- E. The employee will be required to reimburse the cost of this benefit if they resign from the Authority within 5 years from the date of receiving this benefit.
- F. This benefit shall be subject to the availability of funds in the corresponding directorate's budget.

#### ARTICLE XLVIII - DISCIPLINARY PROCEDURE

Section 1. In all cases of formal reprimand, disciplinary action or suspension without pay or termination of an employee, the corresponding charges shall be formulated and served by the supervisor, based on the Disciplinary Rules in force, which shall be uniform for all Authority employees.

Once the facts are officially known, the supervisor shall carry out an investigation of the facts and shall render a report of such investigation no later than thirty (30) working days following the date of the supervisor's officially becoming aware of such facts. A copy of the supervisor's report shall be forwarded to the employee in person or by certified mail with return receipt, to the employee's official address according to the records of the Personnel Division, to the employee's representative and to the UEPI President. During the investigation process, the employee shall be advised of the right to be represented by the Union or a trusted person and shall be warned of their right against self-incrimination and that what they say may be used against them.

Charges shall be filed as soon as possible and no later than twenty (20) working days after the supervisor has completed the investigation into the facts giving rise to such charges. The employee shall be served with charges in person or by certified mail to their official address according to Personnel Division records.

Section 2. Any employee charged with a violation of one or more of the Rules of Conduct shall have fifteen (15) working days from the date when they are served with their supervisor's formulation of such charges to request a hearing with the Head of the Authority's Labor Relations Division on said charges. At the hearing, the employee shall be represented by the UEPI President or any other UEPI officer, or by counsel of their choice, or both.

This hearing shall be held before a Hearing Officer who is not an employee of the Authority, who shall be selected from a list prepared by mutual agreement of both parties. The list shall be prepared in alphabetical order and the Hearing Officers' services shall be used in the numerical order allocated to them on this list. The Hearing Officer shall submit their decision to the Executive Director through the Head of the Labor Relations Division for implementation. The Hearing Officer shall also transmit a copy of their decision to the employee, their representative, the UEPI President, the attorney, if any, and the Authority. The Executive Director may exercise administrative leniency when implementing the Hearing Officer's decision.

A stenographic record of the hearing shall be kept and a copy of the transcript of this record shall be made available to the Hearing Officer, the UEPI and the Authority. The Hearing Officer and Court Reporter's fees shall be borne by both parties.

Section 3.

- A. Only charges of embezzlement, unlawful appropriation, burglary, misuse of Authority or employee funds, repeated illegal use of controlled substances, or refusal to undergo a rehabilitation program, or when there are reasonable grounds to believe that there is a real danger of destruction of Authority property or to the lives of any of its employees, shall be grounds for a summary suspension prior to a hearing.

In the event of a suspension without pay prior to the formal hearing, the employee, their representative, and the UEPI shall be served with the investigation report, as well as the charges, within no more than five (5) working days following the date of suspension, excluding Saturdays, Sundays and holidays, with the original being delivered to the employee personally or by certified letter with return receipt to their official address on file with the Personnel Division, and a copy to their representative and the UEPI President by certified mail.

- B. If a summary suspension without pay is appropriate, the UEPI acknowledges the Authority's entitlement to allow the employee to continue to perform their duties without depriving the Authority of its jurisdiction to hear the merits of the case.

In cases in which the elements to decree the summary suspension of employment and salary of the professional employee are present, the Authority will grant an informal non-evidentiary hearing. This informal hearing must be held within five (5) days of the suspension of employment.

An employee may be accompanied and advised by the union or legal representative of their choice at the hearing. Where an employee does not appear at the hearing or does not present defenses to the charges, the Authority may impose a summary suspension without pay.

- C. Following the summary suspension without pay, and a professional employee's request, the designated Hearing Officer will hold a formal hearing.

The deadline for requesting a formal administrative hearing before a Hearing Officer is fifteen (15) working days, which will run from the date on which the employee receives a copy of the Investigation Report and the notice of the charges filed.

This request for a hearing shall be made to the Head of the Labor Relations Division. If a formal hearing is not requested, the charges shall be deemed admitted.

The Hearing Officer shall schedule and hold a hearing within fifteen (15) calendar days from their appointment date. Should one of the parties fail to appear at the hearing, the Hearing Officer will decide the matter in accordance with the evidence admitted at this hearing.

The Hearing Officer's decision shall be issued within thirty (30) calendar days of the date of the submission of the case. The Hearing Officer shall notify the Executive Director of their decision through the Head of the Labor Relations Division. A stenographic record of the hearing shall be kept and a copy of the transcript of this record shall be made available to the Hearing Officer, the UEPI, and the Authority.

- D. In cases of illegal use of controlled substances, after holding an informal hearing which shall be no later than five (5) working days following the date of suspension from employment, the Authority may summarily suspend without pay any professional employee who re-offends in the illegal use of controlled substances or refuses to undergo a Rehabilitation Program. Suspension of employment will be automatic once the supervisor has been notified.

The Authority shall inform the professional employee in writing of the administrative charges against them. The notice will also inform them of the hearing time, date and location. At such hearing, a professional employee may be accompanied and advised by the union or legal representative of their choosing.

In cases of suspension prior to the formal hearing, the professional employee, the representative, and the President of the Union shall be served with the Investigation Report and the charges within no more than first five (5) working days following the date of suspension without pay, excluding Saturdays, Sundays, and holidays. An original and a copy of the charges filed shall be sent to the professional employee and the UEPI President, and for professional employees on rotating shifts, the five (5) working days shall be included in their regular work schedule. These notices may be in person or by certified mail to the official address on file with the Personnel Division.

In such cases, the corresponding charges shall be formulated and served, in accordance with the provisions of this section, by the employee's supervisor.

Any professional employee who is charged under this section shall have five (5) working days from the date on which they are served with a copy of the Investigation Report and notice of charges to submit a request to the Head of the Labor Relations Division for a hearing on said charges. If a formal hearing is not requested, the charges shall be deemed admitted.

The Labor Relations Division shall notify the appropriate Hearing Officer, who shall schedule and hold a hearing within ten (10) calendar days of the date of receipt of this notice. Should one of the parties fail to appear at the hearing, the Hearing Officer will decide the matter in accordance with the evidence admitted at this hearing. The Hearing Officer's decision shall be issued within ten (10) calendar days of the date of the submission of the matter.

The Hearing Officer shall notify the Executive Director of their decision through the Head of the Labor Relations Division for its implementation. A copy of this decision shall also be forwarded by the latter to the professional employee, the UEPI President, and the attorneys, if any.

Section 4. If an employee has not been temporarily suspended and the hearing is held on one of the employee's days off, the time spent at the hearing shall be paid in accordance with this Agreement's provisions and the employee shall also be entitled to their appropriate per diem allowance. If defense witnesses appear during work hours, the Authority shall grant them paid time off up to the maximum of their regular working hours and they shall also be entitled to their appropriate per diem allowance.

Section 5. Any professional employee who violates Rules 33 and 34 of the Authority's current Disciplinary Rules shall be subject to the following Procedure:

In such cases, the corresponding charges shall be formulated and served in accordance with the provisions of this Disciplinary Procedure Article. Any professional employee who is charged with violations of Rules 33 and 34 above shall have fifteen (15) working days from the date of service of said charges to request a hearing on said charges with the Labor Relations Division. The Labor Relations Division shall notify the appropriate Hearing Officer, who shall schedule and hold a hearing within fifteen (15) calendar days from the date of receipt of the notice. If a formal hearing is not requested, the charges shall be deemed admitted.

Should one of the parties fail to appear at the hearing, the Hearing Officer will decide the matter in accordance with the evidence admitted at this hearing. The Hearing Officer's decision shall be issued within thirty (30) calendar days of the date of the submission of the case.

The Hearing Officer shall notify the Executive Director of their decision through the Head of the Labor Relations Division for its implementation. A copy of this decision shall also be forwarded by the latter to the professional employee, the representative, UEPI's President and the attorney, if any.

Section 6. Notwithstanding the foregoing, any case of alleged violation of the Rules of Conduct by one or more employees may be investigated and resolved by the Authority's supervisors and UEPI's officers, without a hearing by the Hearing Officer being necessary, except in cases of embezzlement, unlawful appropriation, burglary, misuse of Authority or employee funds, recurring illegal use of controlled substances, or refusal to undergo a rehabilitation program, or in cases that the Authority is statutorily required to report to the Secretary of Justice and the Comptroller of Puerto Rico.

Section 7. No professional employee may be transferred by way of disciplinary action without having been given a prior hearing. The Authority and the UEPI will meet to discuss and agree the manner in which the transfer will be affected.

Section 8. If the employee's culpability is not proven and the employee has been temporarily suspended without pay, the employee shall be reinstated to their position and shall be paid for all the working time during their suspension. During the first eight (8) weeks, the employee shall also receive all the fringe benefits to which they would have been entitled had they been working during the suspension period, such as: meal break pay, differential pay, holiday pay and others.

In the event of a temporary suspension of non-regular employees and their reinstatement, the payment of salaries and fringe benefits shall not exceed the period of suspension covered by their appointment.

Section 9. All decisions issued in cases of disciplinary proceedings shall be in accordance with the law, taking into account the provisions of the Collective Agreement.

Section 10. No positive test result for the detection of controlled substances administered by an agency may be used as evidence in an administrative, civil or criminal proceeding against an officer or employee, except in the event of a challenge to this result or to the procedure followed in the test in which said result was obtained.

Section 11. The Authority guarantees to the Union that the drug testing program will be administered in a manner that protects employees' civil and constitutional rights and those contained in the current Collective Agreement. This is in accordance with the prerogatives conferred on the parties by the Act Regulating Tests for the Detection of Controlled Substances in Public Sector Employment.

RULES OF CONDUCT: Five (5) new rules related to the use, possession, introduction, or sale of controlled substances in the Authority's premises are hereby included.

DISCIPLINARY RULES RELATED TO TESTING FOR CONTROLLED  
SUBSTANCES

Rules of Conduct	Undergoing Rehabilitation Program	Suspension 37 ½ working hours	Suspension 75 working hours	Definitive Separation
1 Refusal to undergo testing	First time		First time	Second time
2 Positive test result			Second time	Third time (Repeat offence)
3 Refusal to undergo Rehabilitation Program			First time	First time
4 Abandonment of or noncompliance with treatment or monitoring program				Second time
5 Introduction, possession or sale of controlled substances on the Authority's premises or at work is prohibited				First time

ARTICLE XLIX - SPECIAL ANNUAL HAZARD PAY

Section 1. The Authority shall award special annual hazard pay to employees included in the classifications listed in Section 3, subject to the conditions set forth below. This special compensation will be paid in February of each year and is awarded in consideration of the fact that such employees work continuously exposed to high risks that may cause serious or fatal accidents or illnesses.

Section 2. Any employee who during subsequent calendar years included in this Agreement's term has actively worked in one of the classifications included in Section 3 of this Article for a period of six (6) months or more shall receive special annual compensation as provided herein in accordance with their classification.

If an employee has not completed the six (6) month period indicated above due to injury or disability or has died as a result of having been exposed to the risks of the position or has retired, the employee or their beneficiary heirs shall be entitled to receive the proportional part of the special annual compensation in accordance with the period of time they have worked. An employee who ceased to be employed by the Authority on or before December 31 by reason of resignation, dismissal or because they have lost their seniority in accordance with the Agreement's provisions shall not be entitled to receive special annual compensation.



Section 3. For the purposes of the special annual compensation stipulated in this Article, the following groups and their respective special compensation are set forth herein.

Group A - \$450 annually

1. Instrument Technicians I, II and III
2. Communications Technicians I, II and III
3. General Inspectors of Electrical Distribution Systems I and II
4. Metering Equipment and Metering Laboratory Technician I and II
5. Engineering Assistant I, II and III - Studies and Estimates
6. Engineering Assistant I, II and III - Environmental Testing
7. Assistant Engineer I, II and III - Planning
8. Electronic Controls Technician
9. Contamination Control Chemist
10. Engineering Assistant I, II and III - Thermovision

Group B - \$400 per year

1. Occupational and Relief Nurses I, II and III
2. Safety Advisors I and II
3. Health and Safety Officers I and II
4. Infrastructure Data Technicians I, II and III
5. Construction Inspector I and II
6. Safety Inspector I and II
7. Engineering Assistant I, II and III - Substation and Power Line Construction
8. Engineering Assistant I, II and III - Special Projects
9. Protection Assistant - Electrical System

ARTICLE L - SPECIAL TERMS OF EMPLOYMENT

Section 1. Transportation Payment for Emergency Work

Any professional employee whose services are required for emergency work between the hours of 10:00 p.m. and 5:00 a.m. outside of their regular work schedule shall receive one (1) hour's additional pay to adequately compensate for the time taken to go to work and return home. This hour will be considered as time worked for the purpose of calculating hours worked. This provision does not cover cases in which a professional employee substitutes for another employee on their regular shift.

Section 2. Residence in Work Area or Location

No professional employee shall be required to reside in their own work area or work location as a condition of employment, unless the nature of their employment entails the Authority's possible requirement for their services during hours outside their regular work schedule to perform emergency work to maintain electricity or irrigation services to the public. This will not entail an obligation on the professional employee's part to bring their family to reside at their place of work. Professional employees who are required to reside in their own work area or work location as a condition of employment shall have full enjoyment of their time and hours off in or out of this work area or work location and shall have complete freedom of action during such time and hours off.

Section 3. On-Call Allowance

When a supervisor requires a professional employee to remain on call for work during their time off, the employee shall be expressly notified of this well in advance and all on-call hours shall be deemed hours worked and compensated as provided in this Agreement.

Section 4. Prior Notice in the event of Absence in Rotating Shifts

- A. All professional employees on rotating shifts must notify their immediate supervisor or the person to whom they report directly, of the need to be absent from work prior to the start of the workday.
- B. Upon reporting to work, the professional employee on shift shall inform their immediate supervisor of the reasons for their absence.
- C. Inconveniences caused by the absence will allow the supervisor to replace the absent worker in the first instance with available UEPI personnel.
- D. A professional employee who deceitfully uses an excuse to justify their absence may be subject to the Disciplinary Procedure as established in the Collective Agreement.

Section 5. Advance Notice to Work Outside the Work Location or Area

Any professional employee not normally required to work away from their work location or work area shall be given at least one day's notice when required to work away from their work location or work area, except in cases of emergency.

Section 6. Workplace Accident Report - Who should complete it

When a professional employee suffers a workplace accident, this professional employee's immediate supervisor or a representative of the Authority who has knowledge of the accident shall immediately fill out the corresponding Workplace Accident Report.

Section 7. If a regular professional employee is reassigned to a position or duties in a lower occupational group because of a disability arising out of the performance of their duties, the employee shall retain the base salary of their previously held position for thirty (30) months following their reassignment to the lower classified position.

Where applicable, the reassigned regular professional employee shall be entitled to be awarded the remaining merit steps in the occupational group to which they were reassigned.

For the purpose of reassigning a disabled regular professional employee, before considering such employee for assignment to a vacant or newly created position, the employee must have filed their certificate of partial disability with the Personnel Division, and it must have been verified by the Authority's physician.

If the Authority requires verification of an employee's disability or such verification is necessary at UEPI's request, the Authority and the UEPI shall select a physician, whose fees shall be paid by the Authority, to examine the employee and submit the corresponding report.

The Authority may require the relocated disabled employee to undergo such periodic examinations as it deems pertinent for the purpose of determining whether their disability still persists.

Section 8: The Authority shall not require any professional employee to travel or be transported in vehicles which, due to their conditions, may pose risks to the employee's safety or health. The Authority shall give immediate consideration to any complaint or suggestion from the UEPI or a professional employee that relates to professional employees' health or safety.

Section 9. Working Outdoors in the Rain

No professional employee shall be required to work outdoors in the rain, except in cases of extreme emergency, provided their personal safety is not endangered, and no professional employee shall be subject to any reduction in pay for the time they suspend their work because of rain or while awaiting instructions from their supervisor.

## ARTICLE LI - GENERAL PROVISIONS

### Section 1. Reporting Absences

Except as otherwise provided in this Agreement, a professional employee must report their absence within the following twenty-four (24) hours to their immediate superior and to the UEPI representative in their Department.

No professional employee shall have the amount of a justified absence deducted from their salary, unless such employee has no accrued vacation entitlement.

### Section 2. Required Medical Examinations

All professional employees employed by the Authority in regular work shall first undergo a medical examination, except in cases of emergency work.

### Section 3. Reinstatement Opportunity for Those who have Resigned from Employment

Those who have resigned from regular positions in the Authority with a good service record and who apply for reinstatement within the Authority, shall be considered for vacant positions for which they qualify, provided they do not violate the rights of a regular or non-regular professional employee. The pay shall never be less than the first merit step of the occupational group of the position held.

### Section 4. Staff to be Used for Overtime Work

When there is a need to work overtime, the professional staff available in the section where the work is to be performed shall be used. In the absence of employees, professional staff from another department who can perform the work may be used.

### Section 5. Compensation in Medical Examination Cases

When a non-regular professional employee is to be considered as an eligible candidate for probationary appointment or when a regular professional employee attends a physical examination by the Authority's Physician on the instructions of the Personnel Division, the time required for travel to and from the medical examination shall be deemed time worked and the employee shall be paid the transportation and per diem expenses to which they are entitled. If a professional employee is hospitalized for such medical examination, they shall be covered by the hospitalization, medical services, and prescription plan to which the employee is subscribed; and any payment required by the hospital or the physician for this medical examination shall be paid by the Authority. In the event of hospitalization, a professional employee shall also be entitled to seven and a half (7½) hours at their regular pay rate for each day of hospitalization excluding days off from their work schedule without any charge to vacation accruals.

Section 6. Uniforms

The Authority shall provide at no charge six (6) sets of uniforms every twelve (12) months, during each year that this Agreement is in effect, to regular professional employees that the Authority determines should be in uniform during the performance of their duties and responsibilities, and these uniforms shall be used exclusively when performing official duties. A professional employee who is constantly exposed to extreme sunshine while performing their duties, may choose to request up to three (3) long sleeve shirts out of the six (6) uniform sets provided. Professional employees shall submit this request to their immediate supervisor by August 30 of the year prior to the year in which the uniforms are to be provided.

The Authority shall pay Industrial Nurses three hundred and fifty dollars (\$350) to purchase their uniforms. Checks will be sent every twelve (12) months during January of each year of this Agreement.

Section 7. Workday for Non-Regular Professional Employees Recruited in Disaster Situations

In the event of storms, earthquakes, or disasters, if the available regular professional employees are insufficient to deal with the emergency and the Authority is forced to employ non-regular professional employees for this emergency, a regular workday of eight (8) hours with one (1) hour off without pay for food, and a regular workweek schedule of forty (40) hours may be established for such non-regular professional employees.

Section 8. Guidance for Special Examinations

The Authority shall prepare and provide professional employees upon request, information to serve as guidance concerning the subjects included in the special examinations offered by the Authority to fill the different positions.

Section 9. Notice Boards

At all work locations where this is feasible and by mutual agreement with the Authority, the UEPI may install a notice board to post its official notices, or such other appropriate notices or information as will serve to keep professional employees properly informed of the UEPI's official business or to promote good relations between the UEPI and the Authority.

Section 10. Unpaid Leave

Regular professional employees covered by this Agreement shall be governed by the current administrative provisions on "Rules for Extended Unpaid Leave."

Section 11. The UEPI may file grievances for justified reasons about the actions of any Authority representatives. Upon receipt of the grievance, the Authority will investigate it as soon as possible taking into consideration any evidence presented by the UEPI. If the complaint is found to be justified, the Authority will bring charges against the employee and, if found guilty, appropriate corrective measures will be imposed. The Authority will inform the UEPI of the outcome of the investigation and the action taken by the Authority.

Section 12. The Authority shall keep the UEPI informed of any changes it makes to the administrative rules to which this Agreement refers.

Section 13. The Authority shall send the UEPI an official copy of any Charter of Duties of professional employees whose duties have been changed.

Section 14. Leave Request for Meetings

All regular professional employees shall be granted excused leave of absence (LE) to attend Union meetings held on Saturdays and coinciding with their work shift, subject to prior arrangement with their supervisor. Employees shall notify their supervisor of the request five working days prior to the date set forth in the Union's official convocation.

This concession shall be effective as long as it does not affect the work in the employee's work area. In order for this leave to be credited, employees must present to their supervisor certification of attendance at the meeting. This certification shall be issued by the Union at the conclusion of the meeting.

ARTICLE LII - REGULAR EMPLOYEES WITH A DISABILITY

Section 1: Definitions

- A. Person with a Disability This term covers those who:
1. Have a physical or mental disability that substantially limits them in one or more major life activities.
  2. Have a history of disability.
  3. Are deemed to be suffering from a disability, even when they do not have one.
- B. Qualified Disabled Person
- A person with a disability who satisfies the requirements of the position held or applied for and who can perform the essential functions of the position with or without reasonable accommodation.

C. Reasonable accommodation

A change or adjustment to the duties or functions of a position to the work environment that allows a qualified employee with a disability to perform the essential functions of a position and enjoy employee benefits and privileges on an equal basis with non-disabled employees.

D. Essential Functions

Duties or fundamental functions of each position that the employee can perform with or without reasonable accommodation.

E. Marginal Functions

Duties that complement the essential functions of the position.

F. Relocation and Reassignment

Temporary or permanent reassignment of employees with disabilities to available positions for which they are qualified, whose essential duties or functions they can satisfactorily perform with or without reasonable accommodation.

Section 2. Any regular employee who wishes to make use of the benefits contained in this Article, shall submit a request to their supervisor to have their work capacity evaluated by the Authority's Physician. When making this request, the employee must submit any evidence in their possession. The supervisor will channel this request through the Head of the Occupational Health Division within five (5) working days.

In cases if the employee's immediate supervisor needs to evaluate the employee's functional capacity or disability to perform the essential functions or duties of their position, they will request the corresponding evaluation through the Head of the Occupational Health Division.

Once the Authority's Physician establishes the worker's limitations, if any, they shall proceed in accordance with the provisions of this Article.

Upon receipt of the evaluation or recommendation of the Authority's Physician by the Office of Equal Employment Opportunity, interviews will be conducted with the employee, the concerned delegate, and supervisors to determine the course of action to be taken in accordance with the employee's disability.

Section 3. Types of disability

Disabilities are classified as: permanent total, permanent partial, temporary total and temporary partial.

Section 4. Temporary Disability: Partial or Total

When a regular worker's partial disability is of a temporary and prolonged nature and requires a change of position because it is not possible to reasonably accommodate the employee in their position and this change is for the worker's recovery, the worker shall be

assigned with priority to occupy a vacant or newly available position or to fill a vacancy in an existing vacant position of an equivalent or lower occupational group for which they are qualified and can perform the essential functions of the position despite their disability.

This position will be assigned to such employee without its posting being required and the employee's appointment will be conditioned upon their recovery. Appointments given to other employees as a result of the employee's assignment shall also be conditioned upon said employee's recovery. If the physician subsequently certifies that the partial disability has become permanent, or where it is determined from periodic examinations by said physician that the employee's physical condition has not demonstrated progress and full recovery is not feasible, the conditional appointment shall be terminated once the employee is reassigned permanently.

When a regular employee's disability is total and of a temporary nature, precluding the employee from performing the essential duties or functions of their position or of another position of a vacant equivalent or lower occupational group for which they are trained and qualified, the Authority shall preserve the individual's employment for the duration of their disability. Appointments made on a temporary basis shall be conditioned upon the recovery of such employee.

Once the Authority's Physician certifies that an employee with a temporary disability is able to return to work, the Authority shall immediately offer the employee the opportunity to return to their position or another position that the employee can perform. The employee must request reinstatement in writing to the Head of the Personnel Division within thirty (30) days from the date on which the employee has been discharged or authorized to work, in order to be entitled to immediate reinstatement to work, except when it is necessary to reassign the employee to another position in accordance with the provisions contained in Section 5 of this Article.

In the event of a request for a shortlist to perform the duties of a vacant position or of a regular employee absent on extended leave, priority consideration shall be given to employees with qualified disabilities in the order in which they appear in the Register of Employees with Disabilities, with priority given to those who work within the region if the duties are to be performed.

#### Section 5. Permanent Partial Disability

The following procedure shall be followed regarding regular workers with a partial permanent disability who cannot be reasonably accommodated to perform the essential functions of their position:

The Personnel Division will forward a copy of any request to post a vacancy or newly available position to the Office of Equal Employment Opportunity, who in turn will forward a



copy to the UEPI President. The Office of Equal Employment Opportunity will check the Register of Employees Pending Reassignment and determine if there is a qualified candidate who can perform the essential functions of the position in accordance with the recommendations of the Authority's Physician.

If there is a partially disabled regular employee who is qualified and able to satisfactorily perform the essential functions of the vacant or newly created position available for reassignment, the vacancy shall be filled by the Head of the Personnel Division without being posted. In those situations, in which more than one disabled candidate is able to fill a vacancy, the vacancy will be awarded using the date on which the Authority's Physician's evaluation was requested.

The Personnel Division will process the appropriate Personnel Action notice making the reassignment effective the pay period following the date the disabled employee takes up the position to which they have been reassigned. In cases of workers with permanent partial disability, the Authority shall assign, as a temporary measure until a reasonable accommodation or permanent reassignment arises, to fill a vacancy from an existing position of an equal or lower occupational group to be filled for which they are qualified and can perform the essential functions thereof, notwithstanding the disability.

Section 6. The Personnel Division's allocation of the vacant or newly available position shall be notified to the President of UEPI twenty-eight (28) days prior to the effective date of the disabled employee's reassignment. The notice shall contain the schedule, shift, section, department, administrative unit, division or district and the position number. If there is no objection from the Union during this period of time, it shall become final.

In the event of an objection by the Union, the dispute arising therefrom shall be submitted by the Union through the following special procedure:

- A. For a period of twenty-eight (28) days from the date of receipt of the notice of relocation or reassignment, the Union shall submit the dispute to the first and only level of responsibility, which is the Head of the Personnel Division. The Head of the Personnel Division shall issue a decision within fifteen (15) calendar days from the date of receipt of the dispute from the Union.
- B. If the Union disagrees with the decision of this level of responsibility, it may appeal this decision within fifteen (15) calendar days of the date of receipt, before an arbitrator of the Puerto Rico Department of Labor and Human Resources that the parties shall designate using procedure in which a three candidate list is submitted by the Director of the Bureau of Conciliation and Arbitration of the Puerto Rico Department of Labor and Human Resources, from which the employer shall strike one candidate, the Union another, and the remaining one shall be the designated

one. Every six (6) months the parties shall alternate the process of striking the names of the arbitrators from the shortlists. The selected arbitrator shall serve for a term of six (6) months.

- C. Should one of the parties fail to comply with the terms set forth above, the matter in dispute shall be resolved in the other party's favor. The selected arbitrator shall have fifteen (15) calendar days from the date of receipt of the request for arbitration to schedule and hold the hearing.
- D. Should one of the parties fail to appear at the hearing, the arbitrator will decide the matter in a final and binding manner in accordance with the evidence admitted at this hearing. The arbitrator's decision shall be issued within thirty (30) calendar days of the date of the submission of the case. It shall be final and binding on the parties. Employee reassignment under the provisions of this Section shall be suspended until their case is finally resolved. A copy of the arbitrator's decision shall be sent to the President of the UEPI, the delegate, the affected employee, the employee's attorneys, the Authority's attorneys, the Head of the Personnel Division, and the Director of the Office of Equal Employment Opportunity.

Any discrepancy arising in the implementation of the reasonable accommodation procedure shall be submitted to the arbitration procedure established in this Section.

#### Section 7. Total or Permanent Disability

When a regular employee suffers an injury that causes a total or permanent physical or mental impairment, the Authority shall recommend the corresponding retirement, if any, subject to the terms and conditions established in Article XLII of this Collective Agreement: Retirement System.

If a regular employee who retires due to physical or mental disability subsequently returns to work in accordance with the provisions of this Article, based on having been rehabilitated, upon submitting evidence to that effect, the employee shall be credited the period worked prior to their retirement together with the period worked after reinstatement to the Authority for the purpose of allocating vacant or newly created positions.

Section 8. In any case in which the Authority's Physician determines whether or not a regular employee is unable to work and the employee produces medical evidence from a specialist that contradicts such medical opinion, the employee will be referred to a third physician for evaluation. The employee shall submit the medical evidence within thirty (30) working days of the date of notice of the Authority's Physician's determination. The third physician will be selected between the Head of the Occupational Health Division and the President of the UEPI, or their delegates, within fifteen (15) working days of the date

on which the employee submits the above-mentioned medical evidence. This third physician shall evaluate the professional employee's work capacity in relation to the limitations and total and permanent disability to perform their duties. The physician selected by the parties shall be a recognized specialist in the condition in dispute.

The third physician's fees shall be paid equally by the Union and the Authority, regardless of the third physician's determination.

Section 9. Regular employees with disabilities who are reassigned in accordance with the provisions of this Article shall not have their base pay reduced and shall continue to receive salary increases for time in service. Salary increases for time in service will be granted in the occupational group corresponding to the position to which the employee was assigned.

Section 10. The Office of Equal Employment Opportunity will keep a list of workers with disabilities. Every two (2) months this Office shall transmit to the UEPI President a list of the employees containing the names, social security number, position held, the date on which the Authority's Physician established the limitations and the date on which said Physician's evaluation was requested.

#### ARTICLE LIII - DRUG TESTS

The Electric Power Authority and UEPI are joining forces to combat the use of controlled substances. To this end, they hereby adopt and make part of this Collective Agreement the Drug Testing Regulations for employees of the Electric Power Authority represented by the Independent Professional Employees Union. These Regulations shall form part of the Collective Agreement between the parties, shall have the same force and effect and may only be amended by mutual agreement.

The Authority guarantees to the Union that this Drug Testing Program will be conducted in a manner that protects employees' civil and constitutional rights, as well as those contained in the current Collective Agreement. This is in accordance with the prerogatives conferred on the parties by the Act Regulating Tests for the Detection of Controlled Substances in Public Sector Employment.

#### ARTICLE LIV - SEVERABILITY ARTICLE

Section 1. Whereas a matter of law any provision, section or Article of this Agreement is declared invalid or unconstitutional or in conflict with applicable law by any court or competent government agency, this shall not invalidate the remainder of this Agreement, which shall continue in full force and effect.

Section 2. The contracting parties shall meet within a period not exceeding fifteen (15) working days after becoming aware that any part of this Agreement has been declared null and void, is in conflict or incompatible with any law, to discuss a new provision which, once approved, shall become part of this Agreement with full force and effect.

#### ARTICLE LV - SCOPE OF THE AGREEMENT

The parties acknowledge and accept as true that during the negotiations resulting in this Agreement being signed, each has had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not prohibited by law, and that the agreements and understandings reached after the exercise of this right and opportunity are contained in this Agreement. Consequently, the Authority and the UEPI agree that during the term of this Agreement, they expressly, voluntarily and without limitation waive the right and each party agrees that the other shall not be required to bargain collectively with respect to any subject or matter referred to or specifically covered by this Agreement or with respect to any subject or matter not specifically referred to or covered by this Agreement, even though such subject or matter may not have been within the knowledge of or considered by either or both parties at the time of this Collective Agreement's negotiation or signature. It is stipulated that the foregoing shall not prevent the parties at any time during the term of this Agreement from voluntarily and by mutual agreement bargaining collectively with respect to any of the matters referred to above on which the parties agree to negotiate.

ARTICLE LVI - TERM OF THE AGREEMENT

- A. The parties agree that the term of this Collective Agreement shall commence on **December 16, 2007**, and shall remain in effect until **December 13, 2010**.
- B. The wage increases agreed upon herein shall be governed by the provisions of Article XL of this Agreement.
- C. The other terms of employment and fringe benefits agreed upon herein shall be effective prospectively as of the date of the Collective Agreement's signature.
- D. This Agreement shall continue in effect for subsequent years with all its properties, unless one of the parties notifies the other in writing of its desire to modify it no later than six (6) months prior to its expiration. No later than fifteen (15) days following such notice, the party wishing to amend the agreement shall submit the amendments to be discussed in writing to the other party. The parties further agree to commence negotiations no later than forty-five (45) days after the submission of the written amendments, if there is an interest in amending the Agreement. They further agree that if there is interest in amending the Agreement, while the next agreement is under review, the Agreement to be revised with all its properties will remain in force for as long as the Agreement is under review at the negotiating table.
- E. The parties understand and agree that this Agreement is complete in itself and that it has covered all matters subject to collective bargaining. Consequently, this Agreement may not be revisited prior to its expiration date to make changes in its terms, articles, or agreements or to add new subjects or matters, except in cases if the parties so agree voluntarily and by mutual agreement.

Signed in San Juan, Puerto Rico, on this the      of February, 2008.

FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY

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Jorge A. Rodríguez Ruiz  
Executive Director

FOR THE UNION OF INDEPENDENT PROFESSIONAL EMPLOYEES

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Evans Castro Aponte  
President

REGULATIONS FOR THE CONTROLLED SUBSTANCES TESTING PROGRAM FOR  
EMPLOYEES OF THE ELECTRIC POWER AUTHORITY REPRESENTED BY THE  
UNION OF PROFESSIONAL EMPLOYEES (UEPI)

Article 1 - Title

These Regulations shall be known as the Regulations for the Controlled Substances Testing Program for Employees of the Puerto Rico Electric Power Authority Represented by the Union of Professional Employees (UEPI).

Article 2 - Legal Authority

These Regulations are adopted pursuant to the legal authority conferred by Act 78 of August 14, 1997, known as the Act Regulating Controlled Substance Testing in Public Sector Employment.

Article 3 - Scope

These Regulations shall be applicable to all officials and employees of the Puerto Rico Electric Power Authority, as provided below.

Article 4 - Object

The object of these Regulations is to establish the rules that shall govern the Controlled Substance Testing Program for Officials and Employees of the Electric Power Authority, pursuant to the provisions of Act 78 of August 14, 1997.

Article 5 — Definitions

a. Controlled Substances

Controlled substances included in classifications I and II of Section 202 of Act 4 of June 23, 1971, as amended, known as the Puerto Rico Controlled Substances Act, except for controlled substances used for medical prescriptions or other use authorized by law. Controlled substances are defined as marijuana, cocaine and opiates.

b. Agreement

Stipulation where an employee who has tested positive for controlled substances agrees to undergo detoxification and rehabilitation treatment, as well as periodic testing for controlled substances.

c. Year

Any period of twelve (12) consecutive months.

d. National Institute on Drug Abuse (NIDA)

Organization that governs all matters related to federal regulations for the control of controlled substances in employment.

e. Medical Review Officer (MRO)

Certified physician, specialist in the area of controlled substance abuse, responsible for receiving the results of controlled substance tests that are analyzed in the laboratory.

Reviews, analyzes, and certifies positive results before reporting them to the employee.

f. Clinical Laboratory

Laboratory that will perform the clinical or forensic analysis, duly authorized and licensed by the Secretary of Health to process tests for the detection of controlled substances using substantially the guidelines and parameters established by the National Institute of Drug Abuse (NIDA).

g. Sample

Portion of urine, blood or any other substance from the body provided by the official or employee to be subjected to analysis.

h. Unjustified Refusal

This is the refusal to undergo tests for controlled substances or the prevention of such tests from being carried out. Some forms of conduct, without excluding others that will constitute unjustified refusal are failure to appear at the location if the sample is taken without justification; unjustified abandonment of the location where the sample is taken; refusal of the person to submit to the procedure; failure to comply with orders from the personnel administering the tests to produce an adequate sample, or alteration of the sample.

i. Individual Reasonable Suspicion

The moral belief that a specific person is under the influence or is a regular user of controlled substances, whether or not that fact is established. Such suspicion should be based on observable factors, such as:

- 1) direct observation of use or possession of controlled substances;
- 2) physical symptoms indicative of being under the influence of a controlled substance;
- 3) a repeated pattern of abnormal behavior or erratic behavior in employment.

j. Sensitive Positions or responsibilities

Those positions or responsibilities whose functions, if performed by an official or employee whose physical or mental faculties are impaired due to the use of controlled substances, could cause an incident or accident, constitute a threat to the health and safety of other employees or citizens using the services provided by the official or employee or their own, as well as damage to the Authority's equipment and property.

k. Repeat offender

An employee who tests positive for controlled substances for a third time.

l. Confirmation Test

Test where gas chromatography method is used to determine the presence and amount of drug in the sample.

m. Official or Employee

Any person who renders services in exchange for salary, wages, wages or any type of remuneration, or who renders career or trust services, on a part-time or non-regular basis, within any of the Authority's departments.

n. EAP

Employee Assistance Program and Psychological Evaluations

o. Authority

Puerto Rico Electric Power Authority

p. Direct Supervisor (for determining reasonable suspicion)

A person who gives direct instructions and orders, supervises and assigns the daily work to the employee.

q. Accident

Any event or action arising from an employee's act or duties that affects or endangers the health, safety or property of any individual or legal entity.

Article 6 - Public Policy

It is the public policy of the Puerto Rico Electric Power Authority to contribute to combating the serious problem of the illegal use of controlled substances in Puerto Rico by implementing a controlled substances testing program for officials and employees of this public corporation, in order to comply with the mandate set forth in Act 5 of October 14, 1975, as amended, known as the Public Service Personnel Act, to the effect that all officials and employees of the Government shall be physically and mentally fit to perform the functions and duties of their respective positions, while protecting the health and safety of these public servants.



Article 7 - Objective of the Program

The main objective of the controlled substances testing program shall be to identify officials and employees of the Electric Power Authority who are users of controlled substances and to achieve their rehabilitation, to the extent that this is not incompatible with the effective performance of the functions and duties of the position or responsibilities they hold and with the exceptions set forth in these Regulations.

Article 8 - Duration of the Program

The Controlled Substance Testing Program, as amended, shall be effective as from the signature of this Agreement.

Article 9 - Liaison Officer

The Executive Director delegates to the Head of the Occupational Health Division the responsibility of administering and coordinating all services of the controlled substances testing program for officials and employees of the Puerto Rico Electric Power Authority.

Article 10 - Employment Requirement

- a. Tests for controlled substances shall be administered to all candidates who are pre-selected for positions with the Electric Power Authority, as part of a general medical evaluation, in order to determine whether they are physically and mentally capable of performing the functions of such positions.
- b. The tests will be administered no later than twenty-four (24) hours from the receipt of the notices by the short-listed candidates. A candidate's refusal to submit to the test, or a corroborated positive test result, shall be sufficient cause for denial of employment.

Article 11 — Orientation

The Electric Power Authority will provide orientation to its officials and employees on the health and safety risks associated with the use of controlled substances. This includes the education and training of supervisors regarding the type of behavior observable in the official or employee that may lead to the use of controlled substances, with the aim of establishing individual reasonable suspicion. For employees and officers who have not participated in the orientation or who are absent due to extended paid or unpaid leave, their immediate supervisor will coordinate with the Special Assessment and Testing Program staff to enable them attend the orientation.

Article 12 - Administration of Tests

All employees and officials shall submit to controlled substance testing in any of the following circumstances:

- a. When a workplace accident directly attributable to the employee or official and related to their duties occurs during working hours. The test shall be administered no later than twenty-four (24)

hours after the accident. If the official or employee is unconscious or deceased, a sample of blood or other substance enabling the detection of controlled substances may be taken from the body.

- b. When there is individualized reasonable suspicion by at least two (2) supervisors of an official or employee, one of whom shall be a direct supervisor, in which case the test shall be administered no later than thirty-two (32) hours from the last observation of abnormal or erratic behavior giving rise to the individual reasonable suspicion.

Either of the two (2) supervisors shall keep a confidential file, which shall be under the custody of the Liaison Officer, in which they shall note all incidents that generate suspicion that an official or employee is performing their functions and duties under the influence of controlled substances. The records of officials or employees to whom tests were not administered within six (6) months from the notation of the first incident shall be destroyed.

- c. When an official or employee holds a sensitive position in the Electric Power Authority, in which case they may be administered periodic tests for the detection of controlled substances.
- d. When an official or employee is appointed by the Executive Director as Administrator, Liaison Officer or Head in the Electric Power Authority, in which case periodic testing for controlled substances may be administered.
- e. When an official or employee has had a corroborated positive result on a first test and additional follow-up testing is required.
- f. When an official or employee voluntarily submits to the test, without being required to do so.

#### Article 13 - Rebuttable Presumption

The unjustified refusal of an official or employee to submit to controlled substance testing when so required in accordance with the provisions of these Regulations, shall give rise to a rebuttable presumption that the result would have been positive, and the individual shall be subject to corrective measures. (In the case of the UTIER, in accordance with the Procedure agreed by the parties in Article XLI of the Collective Agreement).

#### Article 14 — Procedure

- a. Controlled substance testing performed on employees holding sensitive positions or responsibilities in the Authority. The Authority shall randomly select employees in sensitive positions to be tested for controlled substances. These tests are performed free of charge, once or twice a year, in the different work areas. Testing for controlled substances may also be conducted when there is reasonable suspicion that these substances are being used.
- b. Tests for controlled substances shall be administered by laboratories or other qualified

entities contracted for such purposes.

- c. Urine shall be tested in accordance with modern scientifically acceptable analytical methods and the chain of custody of the samples shall be preserved.
- d. Urine samples will only be used for the detection of controlled substances and samples that give a positive result in the first analysis will be subjected to a second corroborating analysis, which will be reviewed and certified by a qualified Medical Review Officer.
- e. The Liaison Officer shall retain reports of personnel tested, incident reports and corroborated positive results, but shall destroy negative results within thirty (30) days of receipt.

#### Article 15 — Rights

- a. Periodic tests for controlled substances shall be performed at no cost to officials and employees during working hours, and the time required to administer such tests to officials and employees shall be deemed time worked.
- b. Before undergoing the test, the official or employee may indicate if they have taken any medication that may affect test results.
- c. Each official or employee shall be advised that, upon request, a portion of the sample will be provided to a laboratory of their choice for independent analysis at their own expense.
- d. The right to privacy of the official or employee undergoing the test shall be guaranteed, and there shall be no observer present in the sanitary cubicle while the sample is being provided.
- e. All results must be certified by the entity that analyzed the sample, before being reported to the Electric Power Authority. In the event of a positive result, the sample must undergo a second corroborating analysis, which will be studied by a qualified Medical Review Officer, who will consider the medications that the official or employee reported using and will certify the result according to their observations and analysis. The Medical Review Officer may interview the official or employee with positive results to obtain further information about their medical history.

- f. The Medical Review Officer shall report to the Liaison Officer the corroborated positive results of all official or employee of the Electric Power Authority who undergo the controlled substance screening tests administered through this Regulation.
- g. The official or employee being tested shall be entitled to obtain a copy of any information, form, report, interview or statement relating to the result of drug tests and records of incidents giving rise to suspicion that any official or employee is performing their duties or functions under the influence of controlled substances. This shall be considered "Confidential" information and may not be disclosed, except: a) to the official or employee who has been tested; b) to any person designated by the official or employee in writing to receive such information; c) to officials or employees designated by the Agency for that purpose; d) to treatment and rehabilitation providers for controlled substance users, if the official or employee gives express consent.
- h. When a corroborated positive result is obtained, the official or employee concerned shall be entitled to an administrative hearing to contest such result and to submit evidence to demonstrate that they have not illegally used controlled substances.

#### Article 16 — Confidentiality

- a. All forms, reports, files, and other documents used in connection with the program, including the results of controlled substance testing, shall be confidential and may not be used as evidence against an official or employee in any administrative, civil or criminal proceeding, except when such result, or the procedure followed in the test in which it was obtained, is challenged, or when disciplinary measures are taken in connection with this procedure.
- b. Only the Executive Director, the Liaison Officer, the official or employee, in relation to their own test, and their authorized representatives shall have access to the information referred to in sub-paragraph (a).

#### Article 17 — Referral

- a. When a corroborated positive test result for controlled substances is obtained for the first time, the official or employee concerned, who may be accompanied by a Social Worker or Health or Human Behavior Professional designated by the appropriate union, shall be summoned to appear before the Liaison Officer or their designee at the Occupational Health Division. This summons may be delivered by hand by courier or by certified mail with return receipt requested. When a positive test result is obtained for the first time, corroborated by a test for controlled substances, the official or employee concerned, who may be accompanied by a Social Worker or Health or Human Behavioral Professional designated by the appropriate union, shall be summoned to

appear before the Liaison Officer or their designee at the Occupational Health Department. This summons shall be delivered by hand, by courier or by certified mail with acknowledgement of receipt.

- b. The citation shall state that the official or employee has been suspended from employment with pay, and the date, time, and place if they are to appear before the Liaison Officer or their designee.
- c. The Liaison Officer or their designee shall advise the official or employee whose sample shows a corroborated positive result for the first time, of the existence of a treatment and rehabilitation program. The official or employee shall be required to participate in a treatment and rehabilitation program in any public or private institution certified for that purpose.
- d. The Electric Power Authority will offer free rehabilitative treatment, through the Employee Assistance and Psychological Evaluations Program (EAP), to officials or employees who test positive for the first time for controlled substances and who agree to sign a participation agreement with the EAP.
- e. No corrective action shall be taken against officials or employees who test positive for the first time for controlled substances, provided that they agree to undergo treatment and rehabilitation in any public or private institution certified for this purpose.
- f. If the official or employee requires time to attend treatment and rehabilitation, the time absent will be charged, in the first instance, to accrued sick leave. When the employee has exhausted such leave, regular sick leave shall be advanced to the employee up to a maximum of forty-five (45) working days. The total sick leave so advanced shall be charged to the subsequent sick leave accrual. When such leave has been exhausted, it will be charged to annual leave. The official or employee will ultimately be granted an unpaid leave of absence for a maximum term of twelve (12) months.
- g. The treatment and rehabilitation offered by the Employee Assistance and Psychological Evaluations Program will be provided for a maximum period of two (2) years.

- h. For any official or employee who is a repeat offender (testing positive for the third time), the Puerto Rico Electric Power Authority will not have to comply with the counseling, treatment and rehabilitation requirement established in Act 78 of August 14, 1997, as amended.
- i. An official or employee who has a corroborated positive result in the test for controlled substances for the first or second time may opt to undergo treatment and rehabilitation offered by the Puerto Rico Electric Power Authority through the Employee Assistance and Psychological Evaluations Program (EAP) or through any public or private institution certified for such purpose. In the event of opting for the latter, the official or employee will be responsible for the cost of treatment and rehabilitation, unless this can be covered by their health insurance policy. Such official or employee may be subjected to additional testing as part of the treatment and rehabilitation plan.

Article 18 - Corrective Action

No corrective action shall be taken against employees who test positive for the first time for controlled substances, provided that they agree to undergo treatment and rehabilitation in any public or private institution certified to do so.

- a. The Executive Director may apply disciplinary sanctions to an officer or employee, in accordance with the administrative rules of the Electric Power Authority and Article XLI of the Collective Agreement, in the following circumstances:
  - 1. In the event of refusal to undergo a test for the detection of controlled substances.
  - 2. In the event of a corroborated positive result in a first test and refusal to participate in the orientation, treatment and rehabilitation program.
  - 3. If the individual is participating in the counseling, treatment and rehabilitation program and fails to comply with the conditions of the program, and continues to illegally use controlled substances, according to positive results corroborated by follow-up testing.
- b. The Executive Director may remove an official or employee from office in the following circumstances:

ARTICLE LVI - TERM OF THE AGREEMENT

- A. The parties agree that the term of this Collective Agreement shall commence on **December 16, 2007**, and shall remain in effect until **December 13, 2010**.
- B. The wage increases agreed upon herein shall be governed by the provisions of Article XL of this Agreement.
- C. The other terms of employment and fringe benefits agreed upon herein shall be effective prospectively as of the date of the Collective Agreement's signature.
- D. This Agreement shall continue in effect for subsequent years with all its properties, unless one of the parties notifies the other in writing of its desire to modify it no later than six (6) months prior to its expiration. No later than fifteen (15) days following such notice, the party wishing to amend the agreement shall submit the amendments to be discussed in writing to the other party. The parties further agree to commence negotiations no later than forty-five (45) days after the submission of the written amendments, if there is an interest in amending the Agreement. They further agree that if there is interest in amending the Agreement, while the next agreement is under review, the Agreement to be revised with all its properties will remain in force for as long as the Agreement is under review at the negotiating table.
- E. The parties understand and agree that this Agreement is complete in itself and that it has covered all matters subject to collective bargaining. Consequently, this Agreement may not be revisited prior to its expiration date to make changes in its terms, articles, or agreements or to add new subjects or matters, except in cases if the parties so agree voluntarily and by mutual agreement.

Signed in San Juan, Puerto Rico, this 13th day of February, 2008.

FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY

[Signature]  
Jorge A. Rodríguez Ruiz  
Executive Director

FOR THE UNION OF INDEPENDENT PROFESSIONAL EMPLOYEES

[Signature]  
Evans Castro Aponte  
President

Article 22 – Effective Date of the Regulations

These Regulations shall enter into force as soon as they are approved by the Executive Director.

FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY

[Signature]  
Jorge A. Rodríguez Ruiz  
Executive Director

FOR THE UNION OF INDEPENDENT PROFESSIONAL EMPLOYEES

[Signature]  
Evans Castro Aponte  
President



## PROCEDURE FOR CONTROLLING ABSENTEEISM OF PROFESSIONAL EMPLOYEES

### I. INTRODUCTION

This procedure is progressive and corrective. It responds to the need for a tool to guide and orient supervisory personnel in complying with the rules related to work attendance, achieve uniformity in application and control critical absenteeism.

The provisions of this Procedure apply to employees belonging to the Union of Independent Professional Employees (UEPI) of the Electric Power Authority.

To facilitate the application of this Procedure, each employee will be provided with a guide on applicable rules of conduct and attendance criteria. (Appendix A)

### II. DEFINITIONS

- A. Attendance - An employee's act of being present at their work area or place of work during their established regular workday hours.
- B. Absence - An employee's failure to appear at their work area or place of work during their established regular workday hours.
- C. Absences to be Considered - Absences to be considered are those absences identified by the supervisor on the Attendance Report and Leave Log with the symbols L, S, and W, in accordance with the provisions of Section III-D, 1. a-g. They will be taken into consideration in establishing the employee's absenteeism percentage.
- D. Excluded Absences - An employee's failure to appear at their work area or work location during their established regular workday hours that is due to the situations excluded in Section III-D, 1. a-g.
- E. Regular Workday - Consists of 7½ hours of work per day on weekdays, or 37½ hours per week over five workdays, or 75 hours per biweekly period over 10 workdays. Overtime worked is not considered as part of the regular workday.
- F. Critical Level of Absenteeism or Critical Level - Hours or days of absences to be considered, plus tardiness, which when added together total 10% or more of the hours comprising the regular workday in a period of six or seven consecutive two-week periods of the employee's absence evaluations. (Tardiness: See circular dated October 24, 1980, Distribution B, 80-9-6).

<u>Biweekly Periods</u>	<u>Hours</u>	<u>Critical Level in Hours (10%)</u>
6	450	45 hours (6 days)
7	525	52.5 hours (7 days)

- G. Pattern of Absenteeism - Repeated or chronic absences during biweekly periods.
- H. Evaluation Period - Time comprising six or seven consecutive biweekly periods that together form the evaluation cycle, which is conducted four times a year:
  - 1. January to March
  - 2. April to June
  - 3. July to September
  - 4. October to December
- I. Probationary Period - Period of one year (26 biweekly periods) that must elapse before the phase applied to any employee subject to evaluation for absenteeism whose result reaches the critical level is prescribed. Excludes any period during which an employee is on Accident Leave.
- J. Progressive and Corrective Procedure - Principles of corrective discipline in a cycle of continuous evaluation of employee absences. It is applied every six or seven biweekly periods, four times a year, when the employee reaches the critical level of absenteeism and consists of three corrective phases, with a prescriptive period of one year for each phase, to be applied.
- K. Evaluation Committee - Consists of a representative from the Office of Assistance and Productivity Programs, the Office of Equal Employment Opportunity and the Employee Assistance Program. Also, by an alternate member (if necessary) representing the work area to which the employee belongs. It will consider the situation through which the employee is going compelling them to be absent from work sporadically and is affected by the application of the Procedure. (Appendix B)
- III. GENERAL PROVISIONS
  - A. Manual Leave Records must be kept up to date.
  - B. The percentage to be used as a basis for establishing the critical level of absenteeism is 10% of the regular workday covered by the evaluation period.

- C. The formula to be used to establish the percentage of absenteeism is as follows, by dividing:

Absent hours to be considered during the regular workday (of the fourteen days included in the period)

----- X 100 to obtain the  
percentage absenteeism  
Hours comprising the regular workday (out of  
the biweekly periods included in the period.

The result cannot be rounded

- D. The absence criteria to be considered in determining the employee's absence percentage (under the different symbols) are as follows:
1. All hours of employee absence are considered under the symbols L, S, and W, except as indicated below:
    - a. scheduled annual leave, is charged to L. The supervisor completes the Leave Request form for the employee's signature.
    - b. annual leave (L) to reduce excess vacation entitlement (maximum accrual of 60 days). The supervisor must schedule this leave for the employee to use in a consecutive manner and approve the corresponding leave request.
    - c. hours granted off by administrative directive are charged to L, (the communiqué issued by the Chief of Staff must indicate that it will be an excluded leave);
    - d. employee absences to take a reexamination or to renew professional licenses, as long as they are directly related to the employee's position; they are charged to L. The employee must submit evidence of the appearance.
    - e. absences due to illness for more than three consecutive days, certified by a physician, are charged to S;

- f. absence of the employee to go to the doctor, optometrist or dentist for medical examination or treatment is charged to S. Sick leave for these purposes must be requested as far in advance as possible and upon the employee's return, the employee must present a certificate from the doctor, optometrist or dentist indicating the date, diagnosis and treatment given; and in applicable cases, the time.
    - g. suspension without pay due to a disciplinary sanction or absences for concerted activities decreed by a union and considered legal, Symbol (W).
  - 2. The medical certificate for excluded absences will be presented on the day the employee returns to work.
- E. When an employee presents an ongoing special situation, for which they have to be absent sporadically, affecting the application of the Procedure, they may refer it to the Evaluation Committee - Special Absenteeism Cases. This situation may be referred by the employee, by the employee's supervisor or by a representative of the Union to which the employee belongs, by means of a memorandum addressed to the Head of Human Resources.
- F. The 26 two-week probationary or prescriptive period applied to each phase ends when the employee begins using Accident Leave and continues when the employee returns to work.
- G. In cases where an employee transfers from one workplace to another, the absences in the previous position will be taken into consideration when establishing the employee's absence rate. The purpose is to complete the biweekly evaluation periods in the employee's new work area and apply the appropriate phase of the Progressive and Corrective Procedure.

#### IV. RESPONSIBILITIES

- A. Head of Personnel
  - 1. Initiates disciplinary action as necessary in the cases of managerial employees.
  - 2. Receives requests from employees to be considered as special absence cases and refer them to the Office of Attendance and Productivity Programs for evaluation.
  - 3. Approves the Evaluation Committee's findings on special cases.

- B. Office Administrator, Department or Section Supervisor
  - 1. Verifies their team's absenteeism behavior.
  - 2. Determines the causes of absenteeism and inform the division head, head of central, regional director or corresponding director when the team on average reaches the critical level in an evaluation period. They will take the necessary measures to improve the work environment.
- C. Data Entry Section of the Information Systems Division
  - 1. Processes information from the Biweekly Absence Reports every two weeks.
  - 2. Sends a copy of the Quarterly Absenteeism Percentage Report, (automated), by pay group and by employee to the Office of Attendance and Productivity Programs.
- D. Immediate Supervisor
  - 1. Keeps the updated Leave of Absence Register and the Biweekly Attendance Report.
  - 2. Charges the corresponding leave for staff under their supervision in the Biweekly Attendance Report.
  - 3. Maintains in the employee's file, those documents that evidence those absences excluded.
  - 4. Certifies and sends the Leave of Absence Log and the Biweekly Absence Report to the new supervisor when the employee is transferred or changes positions.
  - 5. Verifies that employees absent due to illness present medical certificates immediately upon returning to work, in accordance with the stipulations of the different Collective Agreements for unionized personnel, and the Administrative Manual for management personnel.
  - 6. Determines through the Leave Log and the Biweekly Absence Report which employees have reached the critical level of absenteeism.
  - 7. Prepares minutes of the meetings held with employees regarding the absence and transmits a copy to the employee involved and file one in the office record (see sample Meeting Minutes, Appendix C).
  - 8. Requests employee signatures as evidence that memos were delivered; sends same by certified mail with return receipt in their absence.

Obtains the signature of a witness if the employee refuses to sign.

9. Sends a memorandum of congratulations and recognition to employees (copy to the employee's local file) who during a calendar year do not reach the critical level in any of the evaluated periods, and who also have a good attendance record. (Appendix D)
10. Explains to the employee the advantages of having accruals, both annual leave (450-hour limit) and sick leave.
11. Explains this procedure to employees and documents the orientation with their signature. (See section H-Employee)
12. Initiates disciplinary action as necessary in the cases of unionized employees. Recommends disciplinary action to the Head of Personnel in cases of managerial employees. Coordinates with the Special Procedures Office of the Industrial Relations Division at this stage of the Progressive and Corrective Procedure.

E. Administrative Office Supervisor

In the area of Project Management and technical areas, administrative office supervisors are those designated to perform the responsibilities of the immediate supervisor, when the latter is a field supervisor, except for items 5, 7, 8, 9 and 12 of section D above.

F. Industrial Relations Division

1. Sends communications to all supervisory personnel reporting the concerted activities decreed by a union and considered legal, Symbol W.
2. Advises the immediate supervisor in the third phase, jointly analyzing and evaluating the actions contained in this Procedure.

G Assistance and Productivity Programs Office

1. Evaluates operations and verifies compliance with the established Procedure.
2. Advises all personnel in relation to the Procedure.
3. Conducts investigations on special cases of absenteeism and refers files to the Evaluation Committee-Special Cases of Absenteeism.

H. Employee

1. Attend work regularly and punctually to fulfill their responsibility.
2. Know the rules or regulations on absenteeism.
3. Know the Absenteeism Control Procedure.
4. Notify the immediate supervisor of absences, in accordance with the requirements of the different Collective Bargaining Agreements and/or the Administrative Manual.
5. Submit a medical certificate when returning to work, if absent due to illness, for more than three consecutive days in order to exclude such absences.

V. INSTRUCTIONS TO SUPERVISOR

A. Progressive and Corrective Procedure

Verify and determine with the Biweekly Absence Report which of their employees has attained or exceeded the critical level of absenteeism in the evaluation period used. Proceed as follows, depending on the phase of the process to be applied to the employee:

1. First Phase

Send written communication to employees who attain the critical level of absenteeism (10%) during an evaluation period for the first time, notifying them of the level of absence reached and summoning them to a meeting. (Appendix E)

Meets privately with the employee to discuss the reasons for their absences and encourage them to improve. Keeps a record of what was discussed and the date they met with the employee. Includes the original minutes and a copy of the meeting notice memo in the employee's file. Gives the employee a copy of the minutes. Establishes the probationary period of one year from the date of notice.

2. Second Phase

Send written communication to employees who attain the critical level of absenteeism (10%) for the second time during an evaluation period and whose probationary period of the previous phase has not expired, notifying them of the level of absenteeism reached and summoning them to a meeting (Appendix F). If they are a union employee, inform them that they may invite their representative to the

meeting; if they are a managerial employee, they can invite the president of the corresponding district if they belong to the Managerial Staff Association or a trusted person.

During the meeting, alerts the employee of the recurring absenteeism and warn them about the disciplinary sanctions that may be applied if they do not improve their attendance at work. Keeps a record of what has been discussed together with the agreements reached. Transmits a copy of the minutes to the employee and file the original, together with a copy of the memorandum of notice of the meeting in the employee's file. Establishes the probationary period from the date of notice. (See Disciplinary Procedure for Unionized and Managerial Employees)

3. Third Phase

An employee who reaches the critical absenteeism level (10%) for a third time in an evaluation period when the probationary period of the previous phase has not expired is subject to the disciplinary procedure in force.

At this stage, disciplinary action (formulation of charges) is required in accordance with the applicable current Disciplinary Procedure for Unionized or Managerial Employees. The supervisor will do the following:

- a. Coordinate with the Special Procedures Department of the Industrial Relations Division on the action to be taken.
- b. Verify the prescriptive periods that apply to the investigation reports and charge letters, according to the Collective Agreement or the Administrative Manual, whichever is applicable.
- c. Verify, as part of the Disciplinary Procedure, the necessary notices indicated in the Collective Agreement, within the established term.
- d. The supervisor or any supervisor in the chain of authority will formulate the charges in the case of unionized employees.
- e. The Head of Personnel formulates charges for managerial employees. The supervisor will recommends charges and notifies the Chief of Staff within 30 days of the employee reaching the critical level for the third time in an evaluation



period.

B. Probationary Period

To apply the Progressive and Corrective Procedure when the employee reaches the critical level in one of the six or seven two-week evaluation periods.

1. Each phase will have a probationary period of one year (26 biweekly periods). The date to be considered for fixing the probationary period of the applied phase will be the date of the notice indicating that the critical level has been reached.
2. Where an employee reaches the critical level for the second time in an evaluation period and the probationary period of the previous phase has not elapsed, the next phase of the Progressive and Corrective Procedure will be applied in the particular case and a new probationary period will be fixed from the notice that the employee has reached the critical level.
3. Where an employee reaches the critical level in an evaluation period and the probationary period of the previous phase has expired, the first phase of the Progressive and Corrective Procedure will be applied again.
4. When an employee has reached the third phase (formulation of charges) and the probationary period has not expired, and in the next evaluation period reaches the critical level, the third phase must be applied again and the corresponding administrative sanctions must be applied.
5. When an employee has reached the third stage (formulation of charges) on two occasions, and the probationary period of the last stage has expired, but five years have not elapsed, the next time an employee reaches the critical level in an evaluation period, the third stage and the corresponding administrative sanctions must be applied.

VI. AMENDMENTS AND INTERVENTIONS

- A. Amendments to this Procedure will be coordinated with the Office of Administrative Systems and Procedures.
- B. The Office of Assistance and Productivity Programs will evaluate the operation and verify compliance with the Procedure within the Authority.

C. The Internal Audit Office will verify compliance with this Procedure.

This Procedure supersedes the Absenteeism Control Procedure revised on March 13, 1992.

San Juan, Puerto Rico, January \_\_\_\_\_, 1994.

**FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY**

[Signature]  
**Miguel A. Cordero**  
**Executive Director**

**FOR THE UNION OF INDEPENDENT PROFESSIONAL EMPLOYEES**

[Signature]  
**Dwight Rodriguez Orta**  
**President**

APPENDIX A

RULES OF CONDUCT AND ATTENDANCE CRITERIA  
FOR EMPLOYEES

- A. Attend work regularly and punctually to fulfill their responsibilities.
- B. Communicate the reason for their absence to their supervisor in advance or within a 24-hour period. Employees on rotating shifts must give as much advance notice as possible of the need to be absent from work. Notice shall be given prior to the start of their shift, preferably four hours in advance.

A shift employee who is absent shall notify their immediate supervisor of the reasons for the absence within the end of the next regular workday to which the employee reports.

- C. Present a medical certificate upon return to work if absent due to illness for three or more consecutive days in order for such absences to be considered excluded.
- D. A critical level of absenteeism is established as the hours or days of absences and tardiness to be considered, which added together total 10% or more of the hours that make up the regular workday in a period of six or seven consecutive two-week periods of the employee's absenteeism evaluations.
- E. The absence criteria to be considered in determining an employee's absenteeism percentage (under the various symbols) are as follows:

All employee absence hours under the symbols of L, S, WS, and W will be taken into account, except those listed below:

- 1. scheduled annual leave, charged to (L),
- 2. annual leave (L) to reduce excess leave balance (maximum accrual of 60 days).  
The supervisor must schedule this leave to be used up by the employee on a consecutive basis and approve the corresponding leave request,
- 3. hours granted off by administrative directive announced by the Head of the Personnel Division, are charged to (L),
- 4. absences due to illness for three or more consecutive days, certified by a physician, are charged to (S),
- 5. suspension of employment and salary due to disciplinary sanction or for concerted activities decreed by a union and deemed legal, (W).

A medical certificate for excluded absences will be presented on the day of the employee's return to work.

APPENDIX B

EXPLANATORY NOTES

1. Jury Duty Leave "J" applies in the following situations:
  - a. When employees are called to jury duty.
  - b. Employees serving as prosecution witnesses in criminal cases in courts of law or who are subpoenaed by a quasi-judicial body in that capacity.
  - c. In civil cases if the Authority is the claimant or defendant and employees serve as witnesses on its behalf.
2. Any employee summoned for jury service in the General Court of Justice of Puerto Rico shall notify their supervisor immediately. The Supervisor will in turn coordinate with the Legal Department to file a request for exemption for the employee with the Court. (See Circular dated June 23, 1987, Distribution B-87-04-10).
3. Annual leave may be rescheduled when the needs of the service so require or when a situation beyond the employee's control arises. Rescheduling is understood to mean changing the date for taking vacation leave already approved in the Vacation Schedule.
4. When an employee is absent due to illness and has no balance in this leave, the time absent is charged to their Annual Leave, Symbol L. If the health condition continues for four or more consecutive days, Advanced Sick Leave, Symbol B, will be granted; medical evidence must be provided.
5. When an employee appears at the Office of Employee Assistance Programs (EAP), the time used will be charged to Symbol V. The employee must submit evidence.
6. When an employee attends one of the Authority's clinics, that time shall not be charged to any leave if the employee returns to their work area and submits form AEE 100.0 148.
7. Absences covered under the Family and Medical Leave Act of 1993 are excluded from this Procedure. The Office of Attendance and Productivity Programs is responsible for ensuring compliance with this Act.



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### TRANSLATOR'S CERTIFICATE OF TRANSLATION

Translation from: Spanish (Puerto Rico) into English (US)  
TARGEM Translations Inc.

I, Andreea I. Boscor, ATA-certified Spanish-English #525556, acting as translator at TARGEM Translations Inc., a NEW YORK City corporation, with its principal office at 185 Clymer Street, Brooklyn, NY, 11211, USA, certify that:

the English translated document is a true and accurate translation of the original Spanish and has been translated to the best of my knowledge.

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Signed this 15<sup>th</sup> of February 2022

A handwritten signature in blue ink, appearing to read "Andreea Boscor".

\_\_\_\_\_  
Andreea I. Boscor

