

9/1/2002-8/31/2004

K 8157  
1,000 workers

16 pp.

**PIPEFITTERS LOCAL UNION 195**  
**MAINTENANCE AGREEMENT**

Article	I	Recognition	2
Article	II	Union Security	3
Article	III	Non-Discrimination	3
Article	IV	Scope of Work	3
Article	V	Work Assignment	4
Article	VI	Definitions	4
Article	VII	Grievances	5
Article	VIII	Union Representative	6
Article	IX	Wages	6
Article	X	Benefits and Other Monetary Funds	6
Article	XI	Compensation Insurance	7
Article	XII	Holidays	7
Article	XIII	Reporting Time and Call-Outs	7
Article	XIV	Work Hours Per Day and Overtime	8
Article	XV	24 Hour Rule and Meal Allowance	11
Article	XVI	Transportation	11
Article	XVII	Safety	11
Article	XVIII	Drug Free Work Force	11
Article	XIX	Apprentices	12
Article	XX	Hiring and Transfer of Men	12
Article	XXI	General Savings Clause	12
Article	XXII	Crew Size	12
Article	XXIV	Management Clause	13
Article	XXV	Subcontractors Clause	14
Article	XXVI	Duration	14
Article	XXVII	Wage Rates	15
Article	XXVIII	Validity & Signature Page	16

ATTACHMENT

Appendix "B"

**PIPEFITTERS LOCAL UNION 195**  
**MAINTENANCE AGREEMENT**

This AGREEMENT is entered into this 1<sup>st</sup> day of September 2002 , by and between \_\_\_\_\_, a company located in \_\_\_\_\_, Texas (hereafter referred to as the Company) and the Pipefitters Local Union 195 (hereafter referred to as the Union), for the purpose of Maintenance, Repair and Renovation Work in various plants wherein the Company works.

**ARTICLE I**  
**RECOGNITION**

(1) The bargaining unit under this Agreement shall comprise the Union in behalf of field maintenance and construction employees of the Company, now employed and employed in the future for maintenance, repair and renovation in various plants within the geographical jurisdiction of Pipefitters Local Union 195. This Agreement does not apply to General Superintendents, Superintendents, Assistant Superintendents, office clerical employees, watchmen or to other professional or supervisory employees as defined in the National Labor Relations Act, as amended.

(2) It is agreed between the Union and the Company that this Agreement is applicable to maintenance, repair and renovation work that is primarily within the recognized and traditional jurisdiction of the Union and shall be performed in accordance with the terms of this Agreement. It is further agreed that should the plant owner also award work to the Company that is within the recognized and traditional jurisdiction of another Building and Construction Trade Craft Union, then work assignments shall be made in accordance with Agreements and Decisions of Record, established trade practice, or prevailing area practice. Since presently established jurisdiction dispute settlement procedures are not applicable to the work covered by this Agreement, then any disputes that arise from such assignments shall be referred to the respective International Unions for resolution. In any settlement discussions developing therefore, it is agreed that the Representatives of the plant owner who awarded the work to the Company may actively participate, if so desired, along with the Company and Union Representatives, to insure an expeditious resolution of the dispute. Should any dispute fail to be resolved, the parties may agree to select an impartial third party.

(3) The Company recognizes the Union herein as duly constituted for the purpose of bargaining collectively and administering its Agreement for the members affiliated with the Pipefitters Local Union 195.

## ARTICLE II UNION SECURITY

(1) All Employees covered by this Agreement and members of the Union now in the employ of the Company shall remain members in good standing during the term of the Agreement.

(2) Parties to the Agreement shall open negotiations pertaining to Union Security when the Federal or State Laws applicable thereto have been changed by giving the other party thirty (30) days written notice.

NOTE: The provisions of this article shall be effective in all jurisdictions where not prohibited by law.

## ARTICLE III NON-DISCRIMINATION

The Union and the Employer agree to abide by all Executive Orders and subsequent amendments thereto, regarding the Civil Rights Act of 1964, pertaining to non-discrimination in employment, in every respect.

## ARTICLE IV SCOPE OF WORK

(1) This Agreement covers all work assigned by the Owner to the Contractor and performed by the Employees of the contractors covered by this Agreement.

(2) This Agreement does not cover work performed by the Contractor of a new construction nature, in which event said work shall be done in accordance with existing building construction agreements.

(3) The Union and the Contractor understand that the Owner may choose to perform or directly subcontract or purchase any part or parts of the work necessary on his project with due consideration given to achieving the highest maintenance standards and harmonious working conditions herein.

(4) It is the intent of the parties that in-plant employees of the owner will not be assigned to work directly with building and construction trades employees of the signatory contractor on the portion of the work assigned to the signatory contractor by the owner. However, nothing in this Paragraph (4) will prevent the in-plant employees of the owner to perform work not assigned to the signatory contractor while the building and construction trades employees of the employer are present and working.

(5) This Agreement shall have application on ly to work location agreed upon between the Company and the Union.

(6) The Employer, prior to the commencement of work, in a new location or before resuming suspended work in an old location, shall contact the Pipefitters Local Union 195 advising the location of project, date work is scheduled to begin and the approximate number of men required. The Employer agrees that no work shall be performed on the project until such time as a pre-job conference has been held with the designated Pipefitters Local Union 195 unless it has been determined that the need for a pre-job conference is not necessary.

#### ARTICLE V WORK ASSIGNMENT

(1) The signatories to this Agreement agree that jurisdictional disputes will not interfere with the efficient and continuous operations required in the successful application of the intent of the Agreement; and to make available to the owner the skills and expertise the Pipefitters Local Union 195 has to offer in the maintenance of the structure, operations and facilities it originally constructs.

#### ARTICLE VI DEFINITIONS

(1) Maintenance shall be defined as any work performed of a renovation, repair or maintenance character within the limits of a plant property, or other locations related directly thereto.

(2) The word "repair", used within the terms of this Agreement and in accordance with maintenance, is work required to restore by replacement of parts of existing facilities to efficient operating condition.

(3) The word "renovation", used within the terms of this Agreement and in connection with maintenance, is work required to improve and/or restore by replacement or by revamping parts of existing facilities operating condition.

(4) The term "existing facilities", used within the terms of the Agreement is limited to constructed unit already completed and shall not apply to any new unit to be constructed in the future, even though the new unit is constructed on the same property or premises.

(5) In the event a dispute arises as to whether a work operation is new or work falling within the scope of this Agreement, the matter shall be referred to the local Labor Management Committee.

## ARTICLE VII GRIEVANCES

All grievances shall be filed within ten (10) calendar days after the complained of event arose. Grievances shall be appealed to the next higher step within ten (10) calendar days after the meeting in the lower step.

All grievances, other than those pertaining to jurisdictional or any work covered by this Agreement shall be handled in the following manner:

- Step 1. Between the Contractor's Supervisor and the Local Union Steward at the jobs site.
- Step 2. Between the Business Representative and the Contractor's Supervisor at the job site.
- Step 3. If the parties are unable to effect an amicable settlement or adjustment of any grievance or controversy, such grievance or controversy shall be submitted to the Local Labor Management Committee for a decision to become effective immediately.
- Step 4. Between the International Union Representative and Supervisor of Labor Relations Manager of the Contractor.
- Step 5. Failure of all of the above to reach a satisfactory decision shall allow a basis for a submittal of the question as outlined in the effective local collective bargaining settlement.

The arbitrator shall have jurisdiction and authority only to interpret, supply or determine compliance with the provisions of this agreement. Any award by the arbitrator shall be final and binding upon the Company and the Union.

ARTICLE VIII  
UNION REPRESENTATIVE

A steward shall be a qualified workman appointed by the Business Manager or Business Agent and confirmed in writing to the Employer. His duties shall be those outline in the local collective bargaining agreement.

Local union representatives shall have access to jobs operated within plant locations subject to contractor and owner regulations.

ARTICLE IX  
WAGES

Wage rates for maintenance, repair and renovating work shall be paid as established in Appendix "B", and shall be paid all employees under the terms of this Agreement; and wages shall be paid weekly by check or cash and the payroll period to close so that no more than three (3) days will be held back and payments to be made before the end of the employees shift.

ARTICLE X  
BENEFITS AND OTHER MONETARY FUNDS

Welfare Funds, Pension Funds, Apprentice Training Funds and other monetary funds called for in the Local Union New Construction Labor Agreement shall be paid in Accordance with the Local Union New Construction Labor Agreement generally recognized in the performance of Industrial construction work.

The employer agrees to be bound by all legally constituted trusts which have been established between the International and Local Union and recognized bargaining agencies of contractors.

When dues check off and/or work assessments are currently being paid in the area, the Employer hereby agrees to deduct the same.

ARTICLE XI  
COMPENSATION INSURANCE

For all Employees covered by this Agreement, the Employer shall provide Workman's Compensation Insurance, Social Security and other protective insurance required by law.

ARTICLE XII  
HOLIDAYS

The following seven (7) days shall constitute the legal holidays within the terms of this Agreement:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
July 4 <sup>th</sup>	Friday after Thanksgiving
Christmas Day	

If any of the above holidays fall on Sunday, Monday shall be observed as the holiday.

ARTICLE XIII  
REPORTING TIME AND CALL-OUTS

(1) Reporting Pay

When an employee or new hire reports to work on any shift between the established hours of his regular work and is not given the opportunity to work because none is available and was not notified before the completion of the previous days work, he shall be paid two (2) hours reporting time.

When employees start to work, they shall be paid not less than four (4) hours, and if they work beyond the four (4) hours, they shall be paid for actual time worked. If an employee refuses to start or stops work on his own volition, the minimum set forth herein shall not apply.

(2) Call-Outs

A Call-Out shall be defined as notification to report for work by whatever means to an employee for work outside of his regularly scheduled day off or holiday. Call-Outs as defined above shall be paid in accordance with one of the following categories:

(a) A Call-Out prior to and continuous with an employee's normally scheduled shift shall be paid for on the basis of hours actually worked at the applicable overtime rate.

(b) When an employee is called out to work at or after the established starting time on Saturday, Sunday, scheduled day off or holidays, he shall be paid not less than two (2) hours at the applicable overtime rate for that day except when his call-out is prior to and continuous with his normal work hours.

(c) If there is an overlapping of a man's time from the 5<sup>th</sup> day to the 6<sup>th</sup> day, the 6<sup>th</sup> day to the 7<sup>th</sup> day or holidays as a result of a Call-Out from one day to the next, the employees shall be paid under the two (2) hour plan as outlined in sub-section (b) above at the applicable overtime rate, but at no time will he receive the two (2) hour guarantee more than once for any one Call-Out.

(3) On a Call-Out when guaranteed hours prevail, the employee may be required to work the necessary time guaranteed by the Contractor. If an employee shall stop work for reasons of his own and without the approval of the Contractor Representative, he shall be entitled to pay for the hours actually worked in the day, and the two (2) hour minimum conditions shall not apply.

#### ARTICLE XIV WORK HOURS PER DAY AND OVERTIME

(1) Eight (8) hours per day shall constitute a day's work and forty (40) hours per week, Monday to Friday, inclusive, shall constitute a week's work. The regular starting time shall be eight (8) o'clock a.m. and the regular quitting time shall be four-thirty (4:30) o'clock p.m.; lunch time shall be twelve (12) o'clock noon to twelve-thirty (12:30) o'clock p.m.

When shifts are required, the first shift shall work eight (8) hours at the regular straight time rate. The second shift shall work seven and one-half (7 ½) hours and receive (8) times the regular straight time hourly rate. The third shift shall work seven (7) hours and receive (8) times the regular straight time hourly rate. A thirty (30) minute lunch period shall be mutually agreed upon by the Job Superintendent and the Union Representative and shall not be considered as time worked. If two (2) shifts of nine (9) hours or more are established, you receive thirty seven and one-half (37 ½) cents per hour for all other shifts worked other than day shift.



(2) All time worked before and after the established work day of eight (8) hours, Monday through Friday, and all time worked on Saturdays, shall be paid for at the rate of time and one-half. All time worked on Sundays and the holidays stated in Article XII shall be paid for at the rate of double time.

(3) Employees shall be at their posts prepared to start work at the regular starting time and shall return to designated starting time place of work by quitting time.

(4) If any other craft, employed by the same Employer in the plant or maintenance working under this Agreement, repair or renovations receiving double-time wages in lieu of the time and one-half wage rate as set forth in this Agreement, the employees will automatically be entitled to the double-time rate of pay during the period that aforementioned crafts are employed.

(5) By mutual consent of the Company and the Union, the starting and quitting time of any shift, including day work, may be changed for all or any portion of a particular job. For the purpose of this Article, the standard worked day of eight (8) hours for the job or portion thereof to which any such changes of starting time applies shall begin with such agreed starting time.

(6) When so elected by the Contractor, multiple shifts of at least three (3) consecutive days' duration may be worked.

(7) The Employer, may at his option, establish a 4-10 hour week on specified projects, which will, for those jobs, constitute a standard work week. The work day shall be an established consecutive ten (10) hour period between the hours of 7:00 a.m., exclusive of thirty (30) minute lunch period. These hours may be changed by mutual consent of the employer and the Union. Forty (40) hours per week shall constitute a week's work Monday through Thursday inclusive. After an individual employee has accumulated ten (10) hours in a workday, or forty (40) hours in a workweek, overtime shall be paid at a rate of one and one-half times (1 ½) the regular rate of pay, this shall apply to the make-up day as well. In the event the job is down four (4) productive hours or more during the work week at the job site, then Friday can at the option of the Employer be worked as a make-up day at straight time not to exceed ten (10) hours or forty (40) hours per week. The make-up day will be scheduled a minimum of eight (8) hours per day. Any employee who elects not to work the make-up day shall not be discriminated against for such choice. Make-up days will not be scheduled for lost time occasioned by a holiday.

If a second 4-10 hour shift is established, the shift differentials of this Agreement shall apply in addition to the above provision.

Reporting time will remain on these projects as set forth in Article XIII.

In the event an Employer shuts down the job because of inclement weather, such termination of work must include all of his employees on the project as a condition of implementation of the make-up day.

On a Friday scheduled make-up all employees will receive the same amount of straight time and overtime hours. The exception shall be for those employees having worked beyond forty (40) hours who would then receive the applicable overtime rate for work on the make-up day.

New hires will be paid the same hours as the majority of the job force on the make-up day.

The scheduling of a make-up day on a particular project will be the option of each individual Employer engaged on such project.

The employer may utilize four (4) ten (10) hour shift operation. Under this operation, the day shift manual work force is organized into two teams. The "A" team works four (4) consecutive ten (10) hour days. On the fifth day, the "B" team continues the work activities for four (4) consecutive ten (10) hour days. On the ninth day, the "A" team returns to work to continue the construction activities. The four (4) day alternating of the "A" and "B" team operation can continue on a year-round basis. The same pattern applies for a second shift. If two shifts are established, they shall be consecutive.

In this arrangement, the normal work day for all employees shall be ten (10) consecutive hours or work, plus a one-half (1/2) hour non-paid meal period.

The work day for each employee shall be defined as the twenty-four (24) hour period which begins with the regular starting time of the employee's shift and ends with the regular starting time of the employee's shift the following day. In this arrangement, the day shift shall be worked between the hours of 6:00am and 6:00pm, as described above.

All hours worked in excess of ten (10) hours in any day and all hours worked in excess of forty (40) hours in a week will be paid for at the prevailing overtime rate. Work performed on recognized holidays shall be paid for at the time and one-half (1 1/2) overtime rate.

ARTICLE XV  
24 HOUR RULE AND MEAL ALLOWANCE

All time worked before and after the regularly established shift hours in any 24 hour period or on the 6<sup>th</sup> day shall be paid at the rate of time and one-half (1 ½). All time worked on the 7<sup>th</sup> day and holidays shall be paid at the rate of double time. Any employee working overtime beyond his shift shall be paid overtime.

When an employee is required to work more than three (3) hours of unscheduled overtime beyond his regular scheduled shift, the contractor will arrange either to have him receive one (1) hot meal or give him \$8.00 in lieu of the meal. This provision will be repeated after each four (4) hours of overtime thereafter with adequate time to eat his meal.

ARTICLE XVI  
TRANSPORTATION

At plant locations where private transportation is not permitted, the Employer shall furnish transportation that provides shelter from inclement weather from the gate to the job site and back to the gate when said distance is one-half (½) mile or more.

ARTICLE XVII  
SAFETY

Completion of generic safety training, as required by plant safety rules and regulations, will be attended on the employee's own time. Those who successfully finish the training course will be issued a certificate of completion which will be valid for a one (1) year period. Efforts will be made to conduct generic safety training programs at the local union halls.

ARTICLE XVIII  
DRUG FREE WORK FORCE

Pre-employment drug testing will be performed on the employer's own time and a certification of drug free status will be issued for a one year duration. The cost of random drug testing at the job site shall be borne by the Employer.

ARTICLE XIX  
APPRENTICES

The use of apprentices, pre-apprentices or helpers shall be in accordance with local collective bargaining agreements. The Employer and the unions agree to an employment ratio of up to 40% of the work force for apprentices and pre-apprentices. The use of pre-apprentices is not intended to replace the need for the employment and training of apprentices.

ARTICLE XX  
HIRING AND TRANSFER OF MEN

Employees required to complete a welder certification examination, as a condition of employment, shall be compensated for time spent testing only upon successful completion of the procedure.

ARTICLE XXI  
GENERAL SAVINGS CLAUSE

The provisions in this Agreement which are in contravention of any Federal, State, Local or County regulations or laws affecting all or part of the limits covered by this Agreement shall be suspended in operation within the limits to which such laws or regulations are in effect. Such suspension shall not affect the operation of any such provision covered by this Agreement, to which the law or regulation is not applicable. Nor shall it affect the operations of the remainder of the provisions of the Agreement within the limits to which such law or regulation is applicable.

ARTICLE XXII  
CREW SIZE

The crew size shall be any number of men required to safely perform the work and shall be increased or decreased at the discretion of the Company.

ARTICLE XXIV  
MANAGEMENT CLAUSE

The Unions understand that the Contractor is responsible to perform the work required by the Owner. Therefore, the Contractor has the complete authority and right to:

- (1) Plan, direct and control the operation of all of his work.
- (2) Decide the number of employees required and the classification thereof.
- (3) Hire and lay off employees as he feels appropriate to meet work requirements and/or skills required.
- (4) Transfer employees with special skills or qualifications and/or employee from jobs where forces are being reduced to jobs where forces are being increased without any restriction or limitations except that such transfer must be in compliance with local referral procedures where applicable.
- (5) Determine work methods and procedures.
- (6) Determine the need for Foreman and the number of Foremen. To name the Foreman and require Foreman to work with their tools when in the Contractor's opinion this is advisable. This is not to mean that the Contractor will not have an inadequate amount of supervision on the job.
- (7) Require all employees to observe the Contractor's and/or Owner's rules and regulations not inconsistent with this Agreement.
- (8) Require all employees to observe all safety regulations prescribed by the Contractor and/or owner and to work safely.
- (9) Discharge, suspend, or discipline employees for proper cause.
- (10) The Contractor may, if he desires, maintain a variety of skills within his group of employees to be prepared to have skills and/or supervision for any type of work that may arise.
- (11) It is understood that all employees will work together harmoniously as a group and as directed by the Contractor. Employees will also cooperate with and follow directions of Owner Representatives as required by Contractor. This is not to be construed under regular operating conditions as a Contractor's prerogative to assign men out of their regular skill classification.

(12) The Unions understand the extreme importance of keeping operating equipment and units running at all times. The Unions also understand that the loss of production and the cost of repairs together create a great loss to the Owner. Therefore, the Unions will encourage and advise the employees to exhaust every effort, ways and means to perform safe work of good quality and quantity. The Contractor and the Unions recognize the necessity for eliminating restrictions and promoting efficiency and agree that no rules, customs or practices shall be permitted that limit production or increase the time required to do the work, and no limitation shall be placed upon the amount of work which an employee shall perform, nor shall there be any restriction against the use of any kinds of machinery, tools or labor-saving devices.

(13) It is understood by the Contractor and agreed to by the Unions, that the employees of this Contractor will perform the work requested by the Contractor without having any concern or interference with any other work performed by any employees who are not covered by this Agreement.

ARTICLE XXV  
SUBCONTRACTORS CLAUSE

The Employer shall not subcontract or assign any of the work described herein which is to be performed at a job site to any contractor, subcontractor or other person or party who fails to agree in writing to comply with the conditions of employment contained herein including, without limitations, those relating to union security, rates of pay and working conditions, hiring and other matters covered hereby for the duration of the project. This shall not restrict offsite fabrication pursuant to the collective bargaining agreement with Pipefitters Local Union 195. It shall not be a violation of this Agreement for an Employer to subcontract work to any source when a Pipefitter craft refuses to recognize the terms of this Agreement or amendments thereto adopted.

ARTICLE XXVI  
DURATION

This Agreement becomes effective September 1, 2002 and shall continue in full force and effect until August 31, 2004, and from year to year thereafter unless notice of termination or modifications is given in writing by either party sixty (60) days prior to any anniversary date thereof.

ARTICLE XXVII  
WAGE RATES

Wage adjustments outlined in the attached Appendix "B" will become effective the first full payroll on or after September 1, 2002 and will remain in effect through August 31, 2004.

ARTICLE XXVIII  
VALIDITY

It is the intention of both parties to this Contract not to violate any State or Federal Law, and if any provisions, Article or Section of this Contract shall or has become invalid or illegal by reason of any now existing or hereafter enacted Statute or Law of the State of Texas or Federal Government, such invalid Article, Section or Provision shall be deemed to be deleted here from, but the legality and validity of the other provisions hereof shall not be affected thereby, and shall continue in full force and effect.

In the event that any labor law or any Statute of the State of Texas governing organized labor is ruled unconstitutional by the Supreme Court of the State of Texas, or is replaced by the Legislature of Texas during the term hereof, then and in the event of both Parties agree to meet together promptly to amend or revise the Collective Bargaining Agreement accordingly so that effect may be given to said opinion or ruling during the remainder of the term hereof.

Executed and Signed this <sup>(at)</sup> 20th day of September, 20 02, at  
Beaumont, Texas.

Union:

Pipefitters Local Union No. 195  
of the United Association of  
Journeymen and Apprentices of the  
Plumbing & Pipefitting Industry  
of the United States & Canada,  
Affiliated AFL-CIO.

Anthony Volentini  
Anthony Volentini, Business Manager

Employer:

L A Resources Inc.  
P O Box 1031  
Orange, TX 77631  
409-792-0033

Henry Scott President  
Contractor Signature, Title

## **APPENDIX B**

### **Wage Package Rate for Pipefitters Local 195 Maintenance**

**Effective September 1, 2002 through August 31, 2003**

Journeyman	\$18.20
Health & Welfare	2.25
National Pension Fund	2.65
Annuity	.35
Apprentice Fund	.25
International Training Fund (ITF)	.05
	<u>\$23.75</u>

#### **MAINTENANCE:**

General Foreman	\$19.95
Foreman	\$19.45

#### **APPRENTICES:**

YEAR	%	PAY RATE	H&W	NATIONAL PENSION	ANNUITY	APPR FUND	ITF	TOTAL PACKAGE
1 <sup>ST</sup>	70%	\$12.74	2.25	- 0 -	-0-	.25	.05	\$15.29
2 <sup>nd</sup>	75%	\$13.65	2.25	2.65	.35	.25	.05	\$19.20
3 <sup>rd</sup>	80%	\$14.56	2.25	2.65	.35	.25	.05	\$20.11
4 <sup>th</sup>	85%	\$15.47	2.25	2.65	.35	.25	.05	\$21.02
5 <sup>th</sup>	95%	\$17.29	2.25	2.65	.35	.25	.05	\$22.84

**PRE - APPRENTICES: \$9.10**

**There will be a pay increase of \$.70 per hour September 1, 2003 and an increase of \$.30 per hour March 1, 2004. Distribution of these increases will be determined by August 31, 2003.**