

St. Louis/Southern Illinois LABOR TRIBUNE

Rough water seen ahead

Utility Workers Union struggles for fair contract with American Water

Creve Coeur—It was a sunny, crisp fall day, the kind you'd rather spend outdoors than in a cramped union hall listening to the possibility of being forced out of a job. But this was about their livelihoods; about feeding their families and making their house payments—and it was about brotherhood.

They were about 300 of the 430 members of Utility Workers Union of America, AFL-CIO (UWUA), Local 335 who work for American Water, a company that has held tight, offering a collective bargaining agreement that would end job security by allowing American Water to subcontract members' work at will, consolidate jobs, reduce health benefits, raise insurance premiums and medical expenses—all in the midst of record profits, big executive paydays and rate hikes for consumers.

If American Water has its way:

- Retirement benefits for future retirees will be seriously reduced;
- Monthly member health premiums will increase by 52 percent for family health insurance;
- Out-of-pocket expenses would climb to \$6,000 per year with a tier package that goes from \$2,000 for the first year and up from there;
- Sunday premium pay will disappear, among other cuts and compromises.

American Water owns and operates four drinking water treatment facilities in St. Louis County that distribute water to St. Louis County, St. Charles County, the city of Kirkwood and Jefferson County, among others in Missouri. UWUA members work all facets of American Water from meter readers to changing meters to fixing water mains and running treatment facilities.

Meeting at the Creve Coeur VFW, members hung on every word from the Union's leadership updating them on contract talks. Vice President Al Raterman spoke first because President Tom Schneider was working that morning for the very company the Union is fighting.

Others, like Executive Board and negotiating committee member Mark "Yoda" Klocker and Chief Shop Stewart and negotiating committee member Lonnie Morrison took turns speaking, telling the membership about the crucial importance of not letting the company they work for take away benefits, and at worst, subcontract their work to others who would work cheaply and without benefits.

Dwain Melton and Bill McDonald also serve on the negotiating committee.

"As long as the company wants to continue down this path, we're standing up," Schneider said, arriving after a rush from work to the contract meeting. **"If we don't stand together, they'll take more away later. I'd rather fight and lose it all, than roll over and give it up."**

Local 335 Vice President Al Ratermann said the company may lockout the Union and "striking has to be an option we're all made aware of."

"We're not going to let you down. You are our friends and our co-workers," said Ratermann. "It's never too late to stand up for our jobs. This is all about American Water wanting to up their bottom line."

Five company executives split \$15.5 million in bonus pay, but they want to outsource our jobs."

Raterman said in the first half of this year, American Water boasted net profits of \$104 million and total revenues of \$1.3 billion. Net profits for the first quarter alone were up 40 percent over the same period last year.

On Sept. 30, the Union learned that American water was requiring members to complete an open enrollment health insurance form based on the most recent offer, with no regard for collective bargaining. That would mean lower benefits and higher costs.

"If I or other members don't complete the form, they would be rolled into the new lower benefits and higher cost plan as of Jan. 1," Schneider said.

The UWUA International sent a letter of protest saying Company had "acted prematurely and in total disregard for members' rights by beginning



Utility Workers Union of America Vice President Al Raterman briefed members on contract talks with their employer, American Water. Despite record profits, American Water wants to cut wages, benefits and be able to outsource their work to non-union workers at will.

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the open enrollment process prior to members accepting or rejecting the Company's contract offer."

"As far as the Union is concerned, the Company does not have the legal right to unilaterally reduce benefits of any member," said George G. Manooagian, director of Strategic Planning for the UWUA International.

American water recently replaced its CEO at a salary of \$575,000 annually with a sign-on bonus of \$200,000, plus options for 25,000 shares in the company.

American Water's former CEO was paid \$2.4 million in 2009, and despite leaving his position on Aug. 15, continues to receive a base salary of \$588,000 per year until Feb. 16, 2011. Then, he will receive severance payments of \$49,000 a month for 18 months.

"We do have a ratification vote early in November for our National Healthcare benefits agreement," Schneider. "It will be voted on across the country, but so far every Local that has voted has turned it down unanimously."

The national healthcare benefits contract expired in July, and the company plans on imposing their plan, Schneider said. The national plan covers 69 Locals in 30 states where American Water operates.

Overall, the Union negotiating team has been through 10 sessions of eight hour days.

"We're gearing up our committees, including our strike committee and hope to be prepared," Schneider said. **"If we strike, qualified members who treat the water and make repairs on the street won't be there. I don't know what that will mean for customer service."**

Schneider said members don't plan on hitting the street right away, however.

"We have other tactics with the company and with national benefits," Schneider said. "We won't strike right away, hoping to allow the company to close the gap for something more feasible members can afford."

Utilities are highly regulated by public commissions whose members are appointed by elected officials. Speak out to help the Utility Workers of America fight the injustices imposed by American Water. Contact your elected official and ask him/her to stand with the UWUA to oppose the Company's unreasonable takeaway demands.

Complain to American Water CEO Jeffery Sterba by calling 856-346-8200 or emailing jeff.sterba@amwater.com. Also call Frank Kartmann, president, AWC at 314-996-2304.