

2005-2008 Port Hardy Collective Agreement

BY AND BETWEEN:

EPCOR WATER SERVICES INC.
(hereinafter called the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115
(hereinafter referred to as the "Union")



DURATION: November 15, 2005 to December 20, 2008

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Notes:

1. Any words which have been added to the Union Contract have been put in ***bold italics***.
2. An asterisk (*) designates a clause that existed in the previous Agreement which has been reworded and/or moved to a different section/article of the Collective Agreement.
3. A double asterisk (**) designates a new clause.

2005 - 2008 PORT HARDY
COLLECTIVE AGREEMENT

BY AND BETWEEN:

EPCOR WATER SERVICES INC.

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

PREAMBLE

In the spirit of partnership the parties will endeavor to create and maintain a positive and harmonious workplace. Such a workplace recognizes the contributions of each individual employee and allows for a shared vision of growth and success.

The parties to this Agreement recognize that it is to their mutual interest to promote as fully as possible safe working conditions, efficiency of the operations and protection of property. This can best be achieved and maintained by harmonious relations between the Company and the employees and by the settlement in an amicable manner of all disputes that may arise. The Company and the Union shall co-operate fully for this purpose.

Singular and masculine terms have been used throughout this Agreement for the sole purpose of simplifying the writing of the text. For purposes of interpretation and meaning, the plural and feminine form should be used where the context requires.

There shall be no discrimination, interference, restriction, or coercion with respect to any employee in regard to age, race, creed, colour, national origin, political or religious affiliation, sex or marital status, or by reason of his membership in a trade Union.

The parties agree to ensure that the work place shall be free from sexual/personal harassment.

Labour Management Committee

1. The Union and the Company recognize the mutual benefits of ongoing consultations and open communications. Without limiting the opportunities for employees and management to utilize other avenues for communications, the parties agree to establish a Labour/Management Committee.
2. The Committee will meet quarterly or more often as is necessary. Either party will notify the other of their intention to meet at the earliest mutual convenience.
3. This Committee is intended to be an open forum wherein matters of mutual concern and interest can be freely and candidly discussed, with a view to exploring possible solutions which are acceptable and beneficial to employees and Management.

4. The parties understand and agree that the Labour/Management Committee is limited to serving as a vehicle for joint discussion and consultation only and is in no way intended to limit or enhance the right reserved to the parties by this Agreement; nor is the Committee intended to take the place of normal communications between employees and Management or to serve as a supplement or alternative to the provisions of this Agreement for the settlement of differences. This Committee is empowered to suggest and discuss changes to the Collective Agreement.

ARTICLE 1: DEFINITIONS

- 1.01 The term employee(s) as used in this Agreement shall mean all employees within the bargaining unit as defined by the B.C. Labour Relations Board.
- 1.02 (a) For the purposes of this Agreement, the following will apply:
- i) Permanent Employee: – a permanent employee shall be one who has satisfactorily served his probationary period with the Company and has been so advised in writing and who has continued in the employ of the Company.
 - ii) Part-time Employee: – a part-time employee is an employee who is required to work on a regular basis, for less than hours worked by a permanent employee per week.
 - iii) Temporary Employee: – a full-time or part-time employee who occupies a position which is required on a regular basis for a period of not more than one hundred and thirty (130) days within a period of one (1) year or less. The one hundred and thirty (130) day period shall mean "working days" and seniority will accumulate for recall within this classification after eighty (80) working days.
 - iv) Work Experience / Summer Students: – may be hired by the Company to assist Operators/Labourers for the summer months or for a period consistent with their work experience curriculum.
- (b) Part-time, temporary employees and/or Work Experience/Summer Students are entitled to all the provisions of this Agreement except in regards to seniority, the provisions of Article 19 and Note #1 of Appendix "A".
- (c) Part-time employees, temporary employees and/or Work Experience/Summer Students will not be required to pay the Union initiation fee for the period of their employment. However, regular monthly dues shall be remitted to the Union in accordance with Article 5.02 (b).
- (d) Any temporary employee, part-time employee and/or Work Experience/Summer Student who wishes to become a permanent employee upon completion of their work assignment, must re-apply for employment, unless mutually agreed between the Company and the Union. In the event the employee is hired as a permanent employee, his seniority shall be accumulated in accordance with Article 13.01.

ARTICLE 2: UNION RECOGNITION

2.01 The Company recognizes the Union as the sole and exclusive bargaining representative of all employees for the purpose of conducting collective bargaining regarding rates of pay, hours of work and other conditions of employment, in conformity with the Laws of British Columbia respecting Labour Relations.

ARTICLE 3: MANAGEMENT RIGHTS

3.01 The Union agrees that the Company has the right to:

(a) Manage the operation and direct the work force and exercise all managerial rights and prerogatives subject to the terms and provisions of the Collective Agreement.

(b) Require efficient and good quality performance from all employees.

3.02 (a) The Company reserves the right to contract any work or services at the Company's sole discretion.

(b) During the life of this Agreement, no job classification is to be deleted, nor shall any employee be terminated, laid off or suffer loss of wages as a result of contracting of works or services.

(c) The Company in contracting out is augmenting the duties of the regular work force and agrees to pay an annual assessment on July 1st each year of three hundred dollars (\$300.00) which will be paid to the Union.

ARTICLE 4: UNION ACTIVITY

4.01 After notifying the Company or the Company's representative, Union representatives shall be permitted entry to the Company's property to carry out their required duties.

4.02 The Union shall have the right to appoint one (1) Steward, and an alternate, and both shall be recognized by the Company without discrimination as the Union representatives for the purposes of this Agreement.

4.03 The Union Steward, with agreement from his Supervisor, shall be granted reasonable time from his job for the purpose of dealing with grievances, allowing that union business be conducted with the least disruption to the Company's operation.

4.04 The Union shall regularly notify the Company in writing of the name of the employee who is serving as Steward.

4.05 The Company will notify the local Business Representative and Shop Steward immediately if any employee is to be suspended or discharged.

4.06 The time lost by the Union Steward and employees from their regular scheduled shifts, in their handling of grievances and contract negotiations will be considered as time worked and payment shall be paid at their regular scheduled rate of pay. Grievances will be dealt with during regular business hours, but preferably during the last hour of the day wherever possible.

ARTICLE 5: UNION SECURITY

- 5.01 The Company shall honor a written assignment of wages to the Union as prescribed by this Agreement.
- 5.02 (a) Upon hiring, the Company shall require that each new permanent employee sign a Union "application card" and an "Authorization for Checkoff". The Company will forward the cards to the Union within ten (10) days of completion of the employee's probationary period.
- (b) Union dues will be remitted at the rate of two (2) hours per month plus fifty cents (\$.50) at the employee's base hourly rate as in effect at the time the deduction is made.
- (c) The Union will supply the application and checkoff cards to the Company.
- 5.03 The Company shall, during the life of this Agreement, deduct as a condition of employment from the first and second pay cheque due in each calendar month to such employee, the sum established in accordance with Article 5.02 (b) and remit the same prior to the tenth (10th) day of the month following the month in which such deduction is made to the office of the Union, together with a list of employees from whom such sums have been deducted including the social insurance numbers and occupation of the employees.
- 5.04 The said deduction shall commence, in the case of each employee who is in the employment of the Company with the effective date of this Agreement, and in the case of each employee entering the employment of the Company subsequent to the effective date of this Agreement, with the calendar month in which his first pay cheque from the Company is received by him. A new employee commencing work in the first half of the month will pay his dues for that month. A new employee commencing work in the second half of the month will not pay dues for that month.
- 5.05 The Company agrees that, as a condition of continued employment, any present employee of the Company who at the date of the signing of this Agreement is a member of the Union, shall maintain membership in the Union in good standing, and any present or future employee, shall, at the termination of his probationary period, join the Union and maintain membership therein in good standing.
- 5.06 For the purposes of this article, a union member shall be defined as anyone who pays union dues and initiation fees and makes formal application to join the Union.
- 5.07 Where the Union requests action by the Company in respect of any employee who has failed to maintain membership in the Union in good standing, the Union shall furnish to the Company written proof of such failure to maintain membership.
- 5.08 Notwithstanding any provision contained in Articles 5.01 and 5.02, there shall be no financial responsibility on the part of the Company for fees, dues or assessments of an employee unless there are sufficient unpaid wages of that employee in the Company's hands.
- 5.09 The Company recognizes that it is not the function of persons outside the bargaining unit to perform work currently being performed by an employee of the bargaining unit; except under emergency conditions or for the purpose of training, instruction and to assure safety

of employees; to operate pilot or test programs, provided that no employee suffers a loss of wages as a result.

ARTICLE 6: NO CESSATION OF WORK

- 6.01 The Company shall not cause or direct any lockout of employees during the life of this Agreement. Neither the Union, nor any representative of the Union, nor any employee, shall in any way authorize, encourage or participate in any strike, walkout, suspension, stoppage, interruption, or slow down of work. Any employee authorizing, encouraging or participating in any such action shall be subject to immediate discharge.
- 6.02 The Company shall not request, require or direct employees within this bargaining unit to perform work resulting from legal strikes that would normally have been carried out by those on strike; nor shall the employees be required to cross any picket line legally established under the Statutes of British Columbia, unless such action has been sanctioned or directed by the Labour Relations Board or any appropriate Court. In addition, the Company will reserve the right to negotiate with the affected Unions to gain permission to cross picket lines in order to make 'emergency' repairs, and in the event that they refuse to do so, the Company will reserve the right to use supervisory personnel or contracted services to make the 'emergency' repairs.

ARTICLE 7: GRIEVANCE PROCEDURE

- 7.01* If, during the term of this Agreement, there should arise any difference between the Company and the Union/employee concerning the interpretation, application or any violation thereof, the employee is urged to settle any complaints or disputes with his immediate Foreman or Supervisor and may elect to have the Shop Steward present.
- 7.02* If a complaint or dispute is not resolved as per Section 7.01 then the Shop Steward shall present the grievance to the Company (**Director responsible for Labour Relations**) within ten (10) days from the time the alleged violation has arisen. The grievance must be presented in writing. Grievances relating to pay cheque items shall be presented within thirty (30) days of receipt of the incorrect pay cheque.
- 7.03* ***The Company will schedule a consultative problem solving meeting within ten (10) days from the time the grievance is received. The parties may remain in the consultation phase as long as the parties are mutually satisfied with the progress being made in the consultation phase. No formal time limits will apply to the consultation phase of the grievance procedure. If a satisfactory resolve is not reached, either party shall have the right to advance the matter to arbitration.***
- 7.04 Saturdays, Sundays and General Holidays shall not be counted in determining the time within which any action is to be taken in each stage of the Grievance Procedure.
- 7.05 All time limits fixed by this Article for the taking of action by either party may be extended by mutual agreement. If the Company fails to answer in writing within the time limits set out in this Article, the grievance shall be deemed to have been advanced to the next level in the Grievance Procedure. If the Union fails to work within the time limits set out in this Article, the grievance shall be deemed abandoned.

- 7.06 Should any parties described in this Article be unable to comply with the time limits due to an absence because of vacation or leave of absence, that party may appoint a representative to take his place.

ARTICLE 8: DISCHARGE CASES

- 8.01 If an employee feels that he has been unjustly discharged, he may have the matter dealt with under the Grievance Procedure. Any such matter shall be presented within three (3) days after the discharge.
- 8.02 In the event the grievance is settled in favour of the employee, the Company shall reinstate the employee and pay to the employee full compensation as may be agreed upon at the employee's regular rate in accordance with their regular work schedule.
- 8.03 Upon such reinstatement there shall be deemed to have been no break in the employee's continuous service by reason of discharge.

ARTICLE 9: ARBITRATION

- 9.01 Whenever, pursuant to the provisions of this Agreement, a reference to Arbitration is invoked, the parties shall endeavour to agree upon an impartial single arbitrator. In the event that the parties fail to agree upon a single arbitrator within ten (10) days from the date of reference to Arbitration, the parties shall, within a further ten (10) days, each appoint one (1) representative who shall be a member of the Arbitration Board.
- 9.02 The two (2) representatives shall, within a further five (5) days, endeavour to agree upon an impartial arbitrator who shall be the third member and Chairman of the Board. In the event that the two (2) representatives fail to agree upon a chairman, then he shall be appointed by the Minister of Labour of the Province of British Columbia. The Arbitration Board shall render its decision within fifteen (15) days after the arbitration hearing. The fifteen (15) day period may be enlarged or abridged by mutual consent of the parties to the Arbitration.
- 9.03 The single arbitrator or Arbitration Board shall have jurisdiction and authority to interpret and apply the provisions of this Agreement insofar as it may be necessary to the determination of a grievance referred to Arbitration, but shall not have the jurisdiction or authority to alter or amend any of the provisions of this Agreement.
- 9.04 In any Arbitration, the written grievance and the decisions provided during the Grievance Procedure shall be presented to the arbitrator or the Arbitration Board and the award of the arbitrator or the Arbitration Board shall be confined to determining the issues therein set out.
- 9.05 In the case of a reference as to whether a matter is arbitrable, or a reference involving the interpretation, application, operation or any alleged violation of the Agreement, the decision of the single arbitrator or the majority decision of the Arbitration Board shall be final and binding on the employee concerned and the parties to this Agreement.
- 9.06 The parties shall bear an equal portion of the expenses and the allowance of the single arbitrator or Board Chairman and of stenographic and secretarial expense and rent. Where the difference is referred to an Arbitration Board, the parties shall each bear the expenses and charges of its representative.

ARTICLE 10: PROBATIONARY EMPLOYEES

- 10.01* The normal probationary period for new employees shall be **six (6) months**. The Company may extend the probationary period for up to a further **six (6) months** in increments of one **(1) month periods**. In the event that the normal probationary period is extended, the employee and the Union shall be advised of the Company's reasons in writing. **New employee's who, for any reason, do not meet the requirements of the job or for permanent status during the probationary period, shall be terminated.**
- 10.02 (a) A probationary employee may be terminated or discharged where the Company, in its discretion, determines that he is unsuitable or unsatisfactory.
- (b) A probationary employee is entitled to the protection of the Grievance Procedure except in respect to issues regarding seniority. This shall not be construed as an abrogation of management rights as defined in Article 3.
- (c) A probationary employee shall be entitled to applicable Health and Welfare benefits.
- 10.03 An employee who has worked as a temporary employee, part-time employee and/or as a work experience/summer student shall have his time credited to his probationary period if offered permanent employment in a related job function immediately following the conclusion of his temporary, part-time, work experience or summer employment period.

ARTICLE 11: HOURS OF WORK AND OVERTIME

- 11.01 All employees shall have a fifteen (15) minute rest break between the second and third hour after starting work, and a further fifteen (15) minute rest break between the sixth and seventh hour of work and a rest break for each two (2) hours overtime worked. The rest breaks will be taken at the work station where practical. When an employee works overtime beyond his normal shift, he shall receive a fifteen (15) minute rest break at his normal quitting time.
- 11.02 (a) Should an employee be requested to work beyond ten (10) hours in a work day, the Company shall supply, free of charge, a hot meal to all the employees working. Paid time to eat the meal shall be one-half (½) hour.
- (b) Circumstances may arise where a meal allowance of twenty dollars (\$20.00) will be paid in lieu of the hot meal.
- (c) When an employee is required to work a minimum of two (2) hours scheduled overtime immediately prior to the commencement of a regular shift, the Company shall provide or arrange for breakfast to a maximum of eight dollars and fifty cents (\$8.50) or payment in lieu of. Paid time to eat the meal shall be one-half (½) hour.
- (d) If no meal is given in either Article 11.02 (a) and/or in Article 11.02 (c) then the employee shall forfeit the one-half (½) hour meal time for that meal only.
- 11.03 (a) The employee may refuse to work overtime except in an emergency situation. In the event that no employee is willing to work overtime, then the Company shall have the right to direct the least senior employee, who is qualified to perform the work, to perform required work.

- (b) An emergency situation is defined as a sudden and unexpected turn of events calling on the Company to take immediate action to prevent worsening of the situation, particularly where there is an immediate threat to life, limb, health or property.
- 11.04 Insofar as it is possible/reasonable, the Company shall allocate overtime work on an equitable basis amongst qualified employees.
- 11.05 The Company shall post on the union bulletin board the overtime and call-out hours of all employees on a regular basis.
- 11.06 A holiday listed in Article 12 occurring during an employee's scheduled work week and for which he received pay shall be considered as time worked for the purpose of calculating overtime.
- 11.07 For all employees, the following shall apply:
- (a) A normal day shall be from 8:00 a.m. to 4:30 p.m.
It is agreed that the starting time of the shift may be varied by up to two (2) hours.
 - (b) The work week shall consist of five (5) consecutive days of work and be followed by two (2) consecutive days of rest, where practical.
 - (c) It is understood that should the Company require a change in the two (2) consecutive days of rest, the employees involved will be consulted.
 - (d) When, because of operational requirements, the hours of work are scheduled for employees on a rotating basis, the Company shall set up a master weekly shift schedule and post it not less than seven (7) calendar days in advance.
- 11.08 The Company shall not require an employee to take time off in lieu of overtime that he has worked.
- 11.09 (a) Time and one-half (1½) the employee's regular rate will be paid for:
- i) Work in excess of eight (8) hours up to eleven (11) hours in the day.
 - ii) Work performed on the employee's first day of rest (up to eight (8) hours).
- (b) Two (2) times the employee's regular rate will be paid for:
- i) All hours worked in excess of eleven (11) hours in the day.
 - ii) All hours worked on the second and subsequent days of rest.
 - iii) All hours worked in excess of forty eight (48) hours in one week.
 - iv) All hours worked in excess of eight (8) hours on the first day of rest.
 - v) All hours worked on a General Holiday or day observed as such.

- vi) All hours worked of an employee's remaining vacation time when called back to work while still on vacation.
 - (c) Where an employee reports to work and is told that no work is available, he will receive four (4) hours pay at his applicable rate, if he does not start work. If he does start work, he will receive eight (8) hours pay at his applicable rate if work continues over two (2) hours.
 - (d) There shall be no pyramiding of overtime. This means that overtime will not be paid where other premiums or penalties are paid or on hours where overtime has been paid.
- 11.10 (a) The overtime pay for work performed on a General Holiday or day observed as such is in addition to any General Holiday pay that an employee may be entitled to for General Holidays in Article 12.
- (b) An employee who works on General Holidays or days observed as such, or on vacation days shall receive the applicable rate and will be granted the next working day off with pay.
 - (c) An employee who works on any of his normal days of rest shall receive a minimum of four (4) hours at the applicable rate but will not be granted the next working day off with pay.
 - *(d) Overtime earned by an employee may, at the employee's option, be accrued as compensatory leave at the applicable overtime provision (banked overtime). Employees may accrue a maximum of **ninety six (96) hours** in lieu of overtime they have earned. Compensatory leave is to be scheduled at a mutually agreed upon time.
 - (e) When an employee is requested to work on a scheduled day off, because the situation is declared an emergency, he shall be paid the applicable overtime rate and be given the following day off with pay.
- 11.11 Employees called out to work shall be paid a meal allowance (in accordance with Article 11.02 (b) or Article 11.02 (c) whichever is appropriate) after working four (4) hours, and one-half (½) hour paid time in which to eat the meal if the employee is required to work longer than four (4) hours.
- 11.12* (a) If an employee is called out to work he shall receive a minimum pay of **two (2) hours** at the applicable regular rate of pay or the actual hours worked at the applicable overtime rate, whichever is greater. The employee will only be required to stay for the duration of the call-out assignment except that an employee called out under this provision shall not be required to carry out any additional work. The employee shall be told the nature of the assignment and anticipated duration.
- (b) Where there is a night time emergency call, a minimum of two (2) qualified employees, one (1) of which may be an employee of the Company who is outside the bargaining unit, will be dispatched to the emergency.

- (c) A check station procedure related to employee safety while working alone will be maintained and revised by both parties.
- 11.13* An employee who works on Saturday and/or Sunday as part of his regular scheduled shift shall be paid **two dollars (\$2.00)** per hour over his applicable rate of pay.
- 11.14 (a) An employee working on other than normal day shift shall be paid the following differential in addition to their regular rate of pay:
- Afternoon Shift: sixty-five cents (65¢) per hour – 4:00 p.m. to 12:00 midnight
- Night Shift: seventy-five cents (75¢) per hour – 12:00 midnight to 8:00 a.m.
- (b) Reasonable notice (preferably twenty-four [24] hours) will be given prior to a shift change.
- 11.15 The Company recognizes the Union's concerns over the use of contractors to do the work that the bargaining unit employees normally perform and, as such, agrees to continue its practice to perform operations and maintenance work with its own employees. The Company hereby assures the Union that it will continue its general operating policy of placing primary reliance on its own employees to perform what is recognized as the duties of its employees as per this Collective Agreement.
- 11.16 All sewer and water employees shall be permitted fifteen (15) minutes each shift prior to quitting time to allow them to wash up.
- 11.17 Increments of time worked will be no less than one-half (½) hour.
- 11.18 (a) The Company will pay standby pay on a rotational basis which will be shared equally by all the regular employees as follows:
- i) One and one half (1 1/2) hours pay (regular rate of pay) for each day of standby.
- (b) It is agreed that the following conditions apply to the standby employee:
- i) First call of any one (1) day will be at the applicable rate to a minimum of four (4) hours.
- ii) The standby person is required to investigate and evaluate the incident or nature of the callout.
- iii) The standby person is required to do minor repairs:
- Reset control devices
 - Re-activate alarms
 - Reset traffic control devices
 - Other items that require one (1) person to correct

- (c) All repairs will be delayed to regular working hours when possible. It is anticipated during the term of this contract that mutual agreement can be reached on callout repairs.
- (d) Other personnel may be called out if repairs cannot wait until the next regular working day and repairs are required because the standby person cannot safely complete the repairs alone.
- (e) The Company will provide seven (7) days notice for scheduling of standby.
- (f) In addition to the appropriate standby pay, employees called out shall be paid at the applicable premium pay rate for all call outs.
- (g) Article 11.18 applies for standby notwithstanding Articles 11.09, 11.10, 11.11, 11.12(a) and 11.12(b).

ARTICLE 12: GENERAL HOLIDAYS

12.01 An employee shall receive eight (8) hours pay at his regular rate of pay for each of the following General Holidays and any other holidays declared by the Federal or Provincial Governments or the Company.

1. New Year's Day
2. Good Friday
3. Easter Monday
4. Victoria Day
5. Canada Day
6. B.C. Day (first Monday in August)
7. Labour Day
8. Thanksgiving Day
9. Remembrance Day
10. Christmas Day
11. Boxing Day

12.02 Should a General Holiday fall on a Saturday and/or Sunday, the following Monday will be observed as the holiday. Consideration will be given to the Union for application of Friday in lieu of Monday observed as a Statutory Holiday.

12.03 In order to qualify for General Holiday pay, an employee must work the regular work day preceding the General Holiday and the first regular work day after the General Holiday,

unless his absence is due to a bonafide illness or injury or is on approved leave of absence or vacation or approved absence under Article 17.03.

- 12.04 Employees in receipt of Workers' Compensation benefits for a period of six (6) months or less, as the result of an accident while in the employ of the Company shall be entitled to General Holiday pay.

ARTICLE 13: SENIORITY

- 13.01 There shall be two (2) types of seniority, namely jurisdictional seniority and classification seniority. Jurisdictional seniority is the length of an employee's continuous service for the Company, in positions coming within the scope of the Union, since the date of his last hiring by the Company, except as expressly provided herein. Classification seniority is the length of the employee's continuous employment within a classification as defined, except as expressly provided herein.

- 13.02 The job classifications are as shown in Appendix "A" of this Agreement.

- 13.03 Seniority shall apply on lay-offs, recalls and job posting within the bargaining unit subject to the conditions stated in this Article, and provided the employee has the present ability and qualifications to perform the work.

- 13.04 A permanent employee's seniority, shall be completely lost for any of the following reasons:

(a) Voluntary termination or resignation

(b) Discharged

*(c) Laid off by the Company for a period of more than ***twenty-four (24) months where the employee has six (6) months or more seniority.***

(d) A notice of recall has been made and the employee fails to report within the required time as follows:

i) Notice shall be sent to the employee's most recent address by double registered mail.

ii) The employee must notify the Company within three (3) working days after the notice of recall has been received.

iii) The Company will allow an extension of up to thirty (30) calendar days from when the notice of recall has been received upon a reasonable explanation of why the extension is needed.

(e) Unable to return to work following absence due to illness or non-occupational accident exceeding two (2) years.

(f) Failure to return from authorized leave of absence without reasonable justification acceptable to the Company.

13.05 Seniority shall be maintained and accumulated during:

- (a) Absence due to an occupational accident incurred in the performance of work for the Company up to a maximum of one (1) year (while actually receiving Workers' Compensation benefits).
- (b) Temporary illness or non-occupational accident causing absence up to a maximum of one (1) year.
- (c) An approved leave of absence for a maximum period of one (1) year.

13.06 Seniority shall be maintained but not accumulated during:

- (a) Absence due to an occupational accident incurred in the performance of work for the Company up to a maximum of two (2) years (while actually receiving Workers' Compensation benefits).
- (b) Temporary illness or non-occupational accident causing absence up to a maximum of two (2) years.
- (c) Lay offs as per the provisions in Article 13.04 (c).

13.07 An employee who accepts a position outside the bargaining unit but within the Company and is returned to the bargaining unit within three (3) calendar months shall maintain his seniority but shall not accumulate seniority while in that position but has the option to apply to the Union which may allow an extension of up to three (3) additional calendar months upon reasonable explanation as to why the extension is needed.

ARTICLE 14: LAYOFFS & REHIRES

- 14.01 (a) When affecting a reduction in work force, the Company will consider the following two (2) factors in determining which employee should get laid off:
- i) The classification seniority of each employee.
 - ii) The requirements and the efficiency of operations and the ability, knowledge, training, skill and certification to do the work of each employee concerned.

When in the judgment of the Company, factor ii). is to all intents and purposes equal to i). as between two (2) or more employees, the employee having the lesser or least jurisdictional seniority will be the first to be laid off.

- (b) A permanent employee to be laid off or terminated shall be provided with a letter stating the reason for the lay-off or termination.
- (c) A permanent employee to be laid off or terminated except for cause, shall be given fourteen (14) working days notice or failing such notice, fourteen (14) days pay in lieu thereof, at the employees straight time rate of pay.

- (d) A temporary employee to be laid off or terminated shall be provided with a letter a minimum of five (5) days prior to the lay-off or termination date.
- (e) All employees have the right to displace an employee with lesser seniority in a lay-off situation, provided that they have the knowledge, skill and ability. The rate for the displacement position shall be paid.

ARTICLE 15: JOB POSTING

- 15.01 When a job vacancy occurs, it will be posted for five (5) working days on the Union bulletin board and if an employee qualifies under Article 15 he will be assigned to the job.
- 15.02 An employee who is awarded a posted job (permanent or temporary) will be granted the higher rate of pay and classification seniority within five (5) working days (if there is an increase in pay) even if he is required to remain in his old job for a longer period.
- 15.03 (a) In awarding a job, the Company shall consider the following two (2) factors determining which employee shall be awarded the job:
- i) The seniority of each employee concerned.
 - ii) The requirements and the efficiency of operations and the ability, knowledge, training, skill and certification to do the work of each employee concerned.
- (b) When, in the judgement of the Company, factor ii). is to all intents and purposes equal as between two (2) or more employees, then except as herein after provided, the employee having the greatest or greater jurisdictional seniority will receive the job.
- 15.04 An employee who has returned from an approved leave of absence or vacation, not exceeding thirty (30) working days, shall be allowed to post-bid a job posting that has been posted and filled during the aforementioned absence, and if he qualifies under Article 15, he will be awarded the job. The time limit for post bidding a job shall be thirty (30) working days from the closing date of the posting.
- 15.05 If a job vacancy has been awarded to an employee and the employee is unable to immediately commence working in such position then a temporary appointment, without posting, may be made in the interim.
- 15.06 If no suitable internal candidate is available, the job vacancy may be filled temporarily by an internal employee, and the Company will fill the job vacancy by hiring a new employee.

ARTICLE 16: SAFETY

- 16.01 It shall be the duty of all employees to report immediately to their Foreman any unsafe working condition. Any employee may refuse to work in any situation which he thinks is unsafe. In the event of any dispute between the Company and an employee (as to whether any work is unsafe), this shall be referred to W.C.B. for review and adjudication. The employees and the Company have a responsibility to each other to maintain a clean and safe work place.

16.02 Complaints in regards to general safety conditions shall be reported to the Foreman and the Company Safety Representative.

16.03 Safety matters shall continue to be identified and dealt with. These meetings shall be on the Company's property and time. However, if the meetings go beyond the normal time, no overtime conditions will apply.

Minutes of the Safety Meetings shall be kept and copies posted on the union bulletin board and copies of the minutes will be forwarded to the Union, the Company Safety Representative and W.C.B..

16.04 (a) It shall be the duty of the employees and the Company to promote the desire on the part of all employees to work safely, to make suggestions and recommendations with respect to maintaining the premises and equipment in such condition that they shall be safe for all employees, and to promote the observance of all safety rules and regulations.

(b) If a serious accident should occur, the Union representative shall be notified by the Company and permitted access to the place of the accident to make an independent investigation.

16.05 Inspections of the work place shall be made on an ongoing daily basis, as all employees should be exercising safety and reporting, correcting and practicing safety on a daily basis.

16.06 Time spent on safety matters shall be considered time worked and shall be paid at the employee's regular rate of pay.

16.07* Where required and applicable to meet Workers' Compensation Board requirements, the Company shall provide the following items:

1. Safety glasses (non prescription)
2. Grinding goggles
3. Painter's masks
4. Dust respirators
5. Welder's gloves, aprons and helmets
6. Chin straps
7. Flagging vests
8. Hard hats
9. Fallers pants
10. Hearing protection
11. Full face respirator

12. Full length chemical handling gloves
 13. Bear spray
 14. Communication equipment/device
 15. Flashlights
- 16.08 ***Effective January 1st, 2006, an annual safety boot subsidy will be provided by the Company up to a maximum of one hundred and fifty dollars (\$150.00) or one hundred percent (100%) of the cost of such safety boots, whichever is lesser. An original receipt detailing the purchase must be provided for reimbursement. To be eligible for the safety boot subsidy, an employee must have completed thirty (30) days of continuous employment.***
- 16.09 The employee who is required in the normal course of his duties to work outside, shall be provided:
1. Rain pants and rain jacket
 2. Rubber boots with steel toes
 3. Winter hard hat liners
 4. Chest or hip waders
 5. Gloves
- 16.10 The Company shall supply coveralls as required to all employees and these coveralls will be replaced based on fair wear and tear. Coveralls will be cleaned at the expense of the Company.
- 16.11 All articles described in Articles 16.07 and 16.09 are on a loan out basis. An employee must return these items to the Company in good condition, subject to normal wear and tear, upon termination with the Company.
- 16.12 Upon satisfactory proof to the Company, tools worn, lost or broken in service of the Company which are the personal property of the employee and are recognized by the Company as necessary in the performance of the work, shall be replaced by the Company. The Company shall reimburse the employee for the value of his tools which may be destroyed due to fire or other major disaster occurring upon the Company's property. The employee will be required to produce a verified list of tools to the Company as a record of these tools. The list will be kept up to date.
- 16.13 Adequate washroom facilities will be provided at the Works Yard by the Company and kept in sanitary condition. Employees will co-operate by observing the simple rules of cleanliness.

ARTICLE 17: LEAVE OF ABSENCE

17.01 An employee may be granted, with the Company's consent, a leave of absence of up to twenty (20) working days per calendar year without pay (after the employee has successfully completed twelve (12) months of continuous employment) subject to the operational needs of the Company.

These days may be taken consecutively and may coincide with holiday periods.

The Company will consider the time periods requested (i.e. winter months versus summer months) and/or operational requirements that are needed during the requested time off.

A leave of absence request by an employee must be made in writing and be approved by the Company. Requests for leaves of absence shall be made as far in advance as possible and not less than five (5) working days prior to the date the leave is to commence, except in an emergency situation.

Such leave shall not be unreasonably withheld having consideration for the Company's operational requirements.

17.02 The employee shall receive a copy of his request stating whether the request is accepted or denied, within three (3) working days of his request being submitted.

17.03 An employee granted a leave of absence shall be considered as having quit if he does not return to work at the date stated except in an emergency beyond the employee's control. If an employee is unable to return to work on time, due to an emergency beyond his control, he shall notify the Company as soon as possible and no later than twenty-four (24) hours after the expiry of his leave.

17.04 An employee who has been selected or elected by the Union to attend Union Business shall be granted a leave of absence without pay for this purpose if it does not interfere with Company operations. No more than one (1) employee may take such leave and the Union shall provide five (5) working days notice in writing to the Company. This notice must be confirmed by the Union. Leave shall not exceed ten (10) working days in total, for each calendar year.

17.05 The Company will give consideration to granting leaves of absence for special circumstances to designated employees for longer periods of time than specified, subject to the operational needs of the Company.

17.06 Bereavement Leave

(a) In the case of a death in the immediate family of an employee, on application to the Company, the employee will be granted a leave of absence of one (1) day. If the employee attends the funeral of the deceased which is out of town an additional four (4) days shall be granted for a total of five (5) days. Where the funeral is held within the District an additional two (2) days leave of absence shall be granted for a total of three (3) days. Such leave shall be with pay.

For purposes of this section only, the immediate family of an employee shall mean: mother, father, mother-in-law, father-in-law, wife, husband, common law spouse,

brother, sister, child, step-child, step-father, step-mother, foster child, foster parent, son-in-law, daughter-in-law, spouse's grandparent, grandparent, grandchild, brother-in-law, sister-in-law.

- (b) In the case of an employee wanting to attend a funeral of someone other than an immediate family member the employee shall have the option of taking one (1) day's leave of absence without pay to do so, subject to the operational needs of the Company.

17.07 Leave for Family Related Responsibility

All permanent employees shall be eligible for twenty-four (24) hours of Leave for Family Related Responsibility per Benefit year.

In recognition of the remote location for these Port Hardy employees and the fact that employees and their family members will be required to travel a minimum of two (2) to six (6) hours one way to receive medical treatment, the Company shall provide up to sixteen (16) additional hours of paid time for employees to travel to medical/dental appointments or deal with family emergency situations. This additional leave for travel purposes shall be coded as such and shall be subject to review and approval by the Company. This additional travel time shall only be available as long as the Company deems that Port Hardy is a remote location.

17.08 Witness and Jury Duty

- (a) All regular shift hours lost by an employee due to necessary attendance on jury duty or acting as a witness at any court proceeding arising out of his employment or subpoenaed as a witness or in any circumstances while operating or travelling in the Company's vehicle, shall be paid for by the Company at a rate of pay applicable to said employee unless the employee is found negligent by the Court of a quasi-judicial body and that any court or other reimbursement be credited to the Company.
- (b) An employee noted in (a) above will be allowed reasonable court preparation time and be provided local transportation if necessary.

17.09 Leave for Drivers Exam

All regular hours lost by an employee due to necessary attendance in completing a driver's examination or doctor's examination required by the license branch shall be paid for by the Company. The cost of any and all examinations shall be paid by the Company, if the employee is maintaining a current license for job purposes.

17.10 Birth and Adoption Leave

Special leave with pay to a maximum of one (1) day shall be granted to employees on the occasion of adoption or birth of their child. When the adoption or birth requires the employee to travel outside of the Port Hardy area (North Island) then an additional two (2) days shall be granted and shall be with pay.

An additional two (2) days without pay can be approved on request by the employee. Requests shall be made as per Article 17.01 of this Agreement. The request shall only refer to the additional two (2) days without pay and will only be considered after twelve (12) months of employment and be subject to the operational requirements of the Company.

ARTICLE 18: VACATIONS

18.01 Vacations with pay shall be on the following basis:

- (a) Part-time, temporary, work experience and summer student employees shall receive four (4) percent of total earnings to date of their termination as provided by the Annual and General Holidays Act.
- (b) A minimum of five (5) working days request in writing shall be made for time off.
- (c) The vacation period excludes days of rest.
- (d) Permanent employees will be granted vacation with pay as follows:

<u>Years of Employment</u>	<u>Entitlement / Working Days</u>
During first (1st) year	One (1) day per month to a maximum of ten (10) working days
2 & 3	16
4 & 5	18
6 & 7	20
8 & 9	22
10 to 14	24
15 to 24	28
25 & over	30

18.02 When a General Holiday falls within an employee's scheduled vacation he shall receive the pay of a normal shift or work day for the holiday, in addition to this vacation pay or another day off with pay in conjunction with his vacation.

18.03 For the purposes of calculation of vacation days, permanent employees will receive working days as paid vacation leave and in the event of termination, employees will be paid for any unused vacation credits.

18.04 For the purposes of this Agreement, employees who have less than twelve (12) calendar months by December 31st in their first year of employment shall consider the January 1st of the subsequent year the first day of their second year.

Holiday entitlement shall be taken before January 1st of the succeeding year with the exception that an employee can carry over up to one-half ($\frac{1}{2}$) of his/her holiday entitlement to a maximum of ten (10) days. All employees are encouraged to use their annual holiday entitlement in the year earned.

18.05 For the purposes of this Agreement, the calendar year shall be January 1st to December 31st in each year inclusive.

- 18.06 For the purposes of this Agreement, employees are allowed to take holidays for the entitlement year, however, upon termination, any overpayment will be deducted from any monies owing.
- 18.07 Scheduling of vacations shall be granted on a seniority basis up through March 31st each year, but thereafter vacations shall be granted on a "first come, first serve" basis, based on the date the application is received by the Company. Vacation requests shall be completed on the form provided with a copy being returned to the employee stating acceptance or denial. Employees must schedule their vacation thirty (30) days prior to the date their vacation will commence and five (5) days for two (2) days or less. Insofar as possible, vacations shall be granted at times most desired by employees, but the final right of allotment of vacation period is reserved to the Company in order to ensure official and orderly operations. Emergency situations will be seriously considered. An employee will be informed by his supervisor in writing why his vacation is denied.
- 18.08 Vacation accrual while on Workers' Compensation Benefits (W.C.B.) will continue for the first one hundred and eighty (180) continuous days of W.C.B. absence.
- Vacation accrual shall continue while an employee is in receipt of Short Term Disability (S.T.D.) benefits.
- There shall be no vacation accrual while the employee is in receipt of Long Term Disability (L.T.D.) benefits.
- 18.09 An employee's vacation is not considered as being completed until they return to their first scheduled shift as it applies to Article 18.01 (a to d).
- 18.10 For the purposes of vacation entitlement only, an employee who transfers from one bargaining unit to another within the Company shall maintain their level of entitlement up to the maximum allowable.

ARTICLE 19: HEALTH AND PENSION BENEFITS

19.01 Pension

All eligible employees shall be members of the Company sponsored Pension Plan. The employees shall contribute five (5) percent of their regular straight time earnings to the plan. The Company shall contribute an equal amount (five (5) percent).

19.02 British Columbia (B.C.) Health Care

The Company shall pay fifty (50) percent of the British Columbia (B.C.) Health Care Premium. The employee shall pay fifty (50) percent.

However, if the employee provides proof of coverage from another source, then no employee or employer contribution shall be required.

19.03 Benefit Plan

The Company shall provide a core level of benefits for Dental, Life Insurance and Extended Health Care to eligible employees. Such employees shall be given the option of

purchasing further coverage under these plans, or alternatively may opt out of the core level coverage of the Dental and Extended Health Care plans. In addition, eligible employees shall participate in one (1) of the Long Term Disability Plan options.

19.04 Short Term Disability (STD)

All permanent employees are eligible to receive eighty-five (85) days of short term disability coverage per benefit year in accordance with the provisions of the Company plan. The Company shall pay the full costs of this plan.

19.05 Workers' Compensation Benefits

(a) Any permanent employee, on completion of the necessary assignment to the Company of their Workers' Compensation payments for loss of wages, will be carried on the payroll of the Company at one hundred percent (100%) of their regular wages until the Compensation Board certifies that they are able to return to work or until granted a permanent pension by the Board for either partial or total disability, whichever may be the sooner.

The parties mutually agree that no employee shall be paid more than their regular earnings when they are unable to work and are receiving Workers' Compensation Benefits.

(b) An employee injured at work and unable to continue shall be paid his regular rate of pay for the entire shift.

ARTICLE 20: BULLETIN BOARDS

20.01 The Company shall provide bulletin boards to the Union on the Company's property for use by the Union for Union business.

ARTICLE 21: GENERAL PROVISIONS

21.01 No person under the direction of the Corrections Branch shall displace an employee nor in the event of a lay-off shall any such person replace the employee. These persons may work along with employees to meet their community working hours.

21.02 Conformity to Federal and Provincial Legislation

In the event that any part of this Collective Agreement is affected by legislation passed by either the Federal or Provincial Government, the Company and the Union recognize that this Collective Agreement remains in full force and effect and agree to conform to any modifications required by such legislation that are directed to over-ride Collective Agreements.

21.03 Employees shall have the right to make written comment on their evaluations.

21.04 Pay day shall be every second Friday. Pay stubs will indicate all relevant earnings and deductions.

ARTICLE 22: DURATION

22.01* *The duration of this Agreement shall be effective from November 15, 2005 to December 20, 2008.*

This Agreement shall take effect on the above-specified date and shall continue in full force and effect beyond the expiration date from year to year thereafter subject to the right of either party to this agreement, by written notice, requiring the other party to commence collective bargaining not more than four (4) months prior to the expiration date, or not more than four (4) months prior to the anniversary date in any year thereafter.

The operation of Section 50 (2) and (3) of the Labour Relations Code of British Columbia is hereby excluded.

When in the opinion of both parties it is deemed beneficial to the Employer and the Union members, the terms and conditions of the Collective Agreement may be modified. Such mutually agreed modifications to the Collective Agreement shall be by Letter of Understanding.

ARTICLE 23: NOTICE TO COMMENCE BARGAINING

23.01* Where notice to commence Collective Bargaining has been provided, the following conditions shall apply:

- (i) *Both parties shall adhere fully to the terms of this Agreement during the period of bona fide Collective Bargaining.*
- (ii) *All items shall come into force and effect on November 15, 2005 unless otherwise specified in this Agreement.*

ARTICLE 24: TECHNOLOGICAL AND OTHER CHANGES

24.01 Notification

- (a) A minimum of three (3) months before the introduction of any technological or other changes or methods of operation which affect the rights of employees, condition of employment, wage rates or work loads, the Company shall notify the Union of the proposed change.
- (b) The Company will provide the Union with no less than thirty (30) days notice of intention to institute technological change which would involve the termination, lay-off or change of classification of employees. For the purposes of this section "technological change" means the automation of equipment, or the mechanization or automation of duties which results in the displacement of an employee from his regular job.

24.02 Training

In the event that the Company should introduce new methods or machines which require new or greater skills than are possessed by employees under the present method of

operations, such employees shall, at the expense of the Company, be given a maximum period not to exceed one (1) year during which they may perfect or acquire the skills necessitated by the new methods of operation. There shall be no change in wage rates during the training period of any such employee and no reduction in pay upon being reclassified in a new position. The employee's progress is to be reviewed quarterly. Should it become evident the employee is unable to be successful at the training, the employee would be re-assigned within the Company operation. No employee who fails to complete retraining for technological change will be laid off.

24.03 Additional Training

Should the introduction of new methods of operation create a need for the perfection or acquisition of skills requiring a training period more than one (1) year, the additional training time shall be a subject of discussion between the Company and the Union.

24.04 No New Employees

No additional employees shall be hired by the Company until the employees already working shall be notified of the proposed technological changes and allowed a training period, as mutually agreed, to acquire the necessary knowledge or skill for retraining under employment.

ARTICLE 25: DISCIPLINE

25.01 Where an employee is disciplined causing a reprimand to be documented and placed on the employee's file, such documents shall be retained on file for a maximum time period following the date of the reprimand in accordance with this article:

Oral reprimand	1 year
Written reprimand	3 years
Suspension	5 years

25.02 Should no further disciplinary action be taken during the time periods specified herein, the document shall then be removed from the file and forwarded to the employee concerned for destruction.

25.03 Any further disciplinary action taken during the periods specified herein shall cause all documented reprimands to be retained on the employee's file until the expiration of the time period applicable to the most recent documented reprimand.

25.04 The Company shall provide the local Union Office with a copy of any written record of disciplinary action (excluding oral reprimands) which is to be recorded on the employee's file.

ARTICLE 26: SEVERANCE PAY

26.01 Employees shall be entitled to receive severance pay in accordance with the following provisions for completed years of employment:

- (a) An employee who is terminated for cause shall not be paid severance pay.
- (b) On layoff, rejection on probation and nonculpable discharge, a permanent employee with one (1) or more years of continuous service shall receive severance pay in the amount of one (1) week of pay for each preceding complete year of employment to a maximum of ten (10) weeks, less any period in respect of which severance pay was previously paid.

ARTICLE 27: OUT OF TOWN PROJECTS

27.01 *Employees required to work and /or travel outside the geographical area of Port Hardy for a duration up to and greater than one (1) day and one (1) night, who have been authorized and assigned their own EPCOR Purchasing (“P”) Card will be required to use their EPCOR “P”Card for all travel, accommodation, meals and other business related expenses.***

In the rare instance that a vendor does not accept the EPCOR "P" Card as a method of payment, the employee will pay for the business expense and submit a business expense claim in accordance with EPCOR policy.

Permanent employees authorized and assigned their own EPCOR "P" Card who work and/or travel out of town with other EPCOR employees who are not assigned an EPCOR "P" Card will be responsible for paying for travel, accommodation, meals or other business related expenses for these other EPCOR employees as directed by their Supervisor and / or Foreman.

27.02 Employees who are required to utilize their personal vehicle for business purposes shall be reimbursed for the travel in accordance with the Company policy.

IN WITNESS WHEREOF: The parties hereto have executed this Agreement

Signed this _____ day of _____, 2006.

EPCOR WATER SERVICES INC.

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

APPENDIX "A" – WAGE SCHEDULE

**EPCOR Water Services Inc.
International Union of Operating Engineers 115C
Port Hardy - Appendix "A"
(Effective December 26, 2004)**

Classification	2005 Effective Dec 26, 2004	2006 Effective Dec 25, 2005	2007 Effective Dec 24, 2006	2008 Effective Dec 23, 2007
Working Foreman	29.01	29.59	30.18	31.09
Acting Foreman	27.06	27.60	28.15	28.99
Chief Operator	25.98	26.50	27.03	27.84
Maintenance Supervisor	25.98	26.50	27.03	27.84
Operator III	25.00	25.50	26.01	26.79
Operator II	24.00	24.48	24.97	25.72
Operator I	22.00	22.44	22.89	23.58
Operator in Training	19.48	19.87	20.27	20.88
Co-op Students	16.24	16.56	16.89	17.40
Summer Students	10.82	11.04	11.26	11.60
Laborer II	18.87	19.25	19.63	20.23
Laborer I	18.52	18.89	19.27	19.85

Notes:

1. When an Operator III is away for more than two (2) working days, then the most senior employee in the Operator II classification who is on duty for that period shall be paid the Operator III rate commencing on the third (3rd) working day.
2. CHARGE HAND
 - (a) A charge hand is an employee who is designated to lead and direct a small work crew under the overall direction of the Director, and is expected to work with the work crew.
 - (b) A charge hand rate of one dollar (\$1.00) effective January 15, 1995, above the highest rate of an employee being supervised shall be paid to a charge hand. When designated as a charge hand, an employee shall receive the charge hand rate for a minimum of four (4) hours.

- (c) A charge hand shall receive no less than the amount stipulated in (b) more than their regular rate of pay.
3. Assignment to the classifications in Appendix "A" shall be based on the certification level of each employee except that the Company specifically reserves the right to restrict the number of incumbents in the Operator III classification. Appointment to the Chief Operator, Maintenance Supervisor, Acting Foreman and Working Foreman classifications shall be at the discretion of the Company.

Administrative - Clerk II
(8 hours per day - 80 hours bi-weekly)

Step→	Step A/1	Step B/2	Step C/3	Step D/4	Step E/5	Step F/6
Rate Year ↓	6 months	9 months	12 months	12 months	12 months	12 months
2004	13.90	14.51	15.14	15.82	16.53	17.51
2005	14.18	14.80	15.44	16.14	16.86	17.86
2006	14.46	15.10	15.75	16.46	17.20	18.22
2007	14.75	15.40	16.07	16.79	17.54	18.58
2008	15.19	15.86	16.55	17.29	18.07	19.14

Notes:

- **1. All employees hired for these positions will be placed on the pay grid based on Company's review and consideration of their knowledge, qualifications, and skills (technical and behavioural) and the requirements for the positions.**
- **2. Once employees are placed on the pay grid they will progress from one step to the next on the pay grid for their classification based on completion of the assigned time to the step and upon meeting performance expectations.**

General Note:

In the event that the Company creates a new classification, the Union and the Company will negotiate an appropriate rate of pay within thirty (30) days. Both parties may mutually agree to extend such period. In the event that there is no satisfactory resolve to the rate of pay the Company may fill such position but the final rate of pay shall be resolved during the next earliest session of collective bargaining or may be referred to binding arbitration for final resolution.

LETTER OF UNDERSTANDING #1

BY AND BETWEEN:

EPCOR WATER SERVICES INC.

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

RE: British Columbia (B.C.) Environmental Operators Certification Program

Based on the Company's ongoing commitment to employees' improving their skills and levels of certification in the Water Business - the parties agree that the Company shall pay a one time only lump sum premium to permanent employees obtaining the levels of B.C. Environmental Operators Certification as follows: -

Certification Level I: \$200.00

Certification Level II: \$300.00

Certification Level III: \$400.00

Certification Level IV: \$500.00

These levels of certification may be in all four of the recognized areas of Water Treatment, Water Distribution, Waste Water Treatment and Waste Water Collections. An employee could get certification in all four (4) areas at a Level I and receive two hundred dollars (\$200.00) for each, for a total of eight hundred dollars (\$800.00) - or an employee could have their Level I, II, III and IV in Waste Water Treatment and receive one thousand four hundred dollars (\$1,400.00) total.

It was also understood that these payments for certification will be made on an ongoing basis into the future to eligible employees who obtain these levels of certification and provide evidence to the Company of successful completion of each level of certification.

In addition the following lump sum premiums shall be payable to permanent employees:

Chlorine Handling Certification: \$200.00

Cross Connection Certification: \$200.00

These payments will be paid retroactively to those employees who have attained such qualifications as of December 12, 2002 and will be paid on a one-time lump sum basis to those employees who acquire such qualifications in the future.

Signed this _____ day of _____, 2006.

EPCOR WATER SERVICES INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #2

BY AND BETWEEN:

EPCOR WATER SERVICES INC.

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

RE: B.C. Municipal Pension Plan

*****Whereas employees of Port Hardy participated in the B.C. Municipal Pension Plan prior the Company's public-private partnership in August of 1999 and whereas the Employee's of Port Hardy are interested in participating again, therefore and subject to the following condition:***

- 1. Subject to approval by the Municipal Pension Board of Trustee's for EPCOR to participate in the Plan;***

The parties agree that EPCOR will participate in the British Columbia Municipal Pension Plan.

Signed this _____ day of _____, 2006.

EPCOR WATER SERVICES INC.

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

LETTER OF UNDERSTANDING #3

BY AND BETWEEN:

EPCOR WATER SERVICES INC.

(hereinafter referred to as the "Company")

AND:

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 115

(hereinafter referred to as the "Union")

RE: Operator Progression System

*****During the term of this Collective Agreement, the parties agree to meet and discuss the potential of a progression system, including input into a structure which encourages cross functional certification.***

Signed this _____ day of _____, 2006.

EPCOR WATER SERVICES INC.

INTERNATIONAL UNION OF OPERATING
ENGINEERS, LOCAL 115

