

LETTER OF UNDERSTANDING

By and Between:

International Union of Operating Engineers, Local 115
(hereinafter referred to as the 'Union')

AND

Selkirk Paving (Division of Interoute Construction Ltd)
(hereinafter referred to as the 'Company')

This letter shall outline amendments to the Road Building Industry Standard Agreement (Paving) and the Interior/Kootenay Addendum as follows:

1. **Duration**

This agreement shall be in full force and effect from and including **April 1, 2011**, unless otherwise stated, to and including **March 31, 2012**, and shall continue in full force and effect from year to year thereafter subject to the right of either party to this agreement within four (4) months immediately preceding the date of **March 31, 2012** or immediately preceding the anniversary date in any year thereafter by written notice to the other party, require the other party to commence collective bargaining with a view to the conclusion of a renewal or revision of this collective agreement.

Should either party give written notice to the other party pursuant hereto, this agreement shall thereafter continue in full force and effect until the Union shall strike, or the employer lockout, or the parties shall conclude a renewal or revision of this agreement or a new collective agreement.

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

2. **Classifications**

1. Licensed Mechanic – Must have Tradesman Qualification Ticket.
2. Non Licensed Mechanic/Service man
3. Operator I – Excavator, Finish Grader, Screed, Paver, Finish Roller, Dozer & Loader over 966.
4. Labourer I – Pipe layer & Raker person.
5. Driver – Class III with air Minimum.
6. Operator II – Roller/Packer, Skid Steer & Loader 966 and under.
7. Labourer II – Shoveling, Clean up & Hand Priming.
8. Flagger – Entry Level Summer Student

3. **Probation Period.**

When a new employee is hired outside of the Union hiring hall, it is agreed that he shall serve a one time probation for 30 calendar days. It is agreed that the Company has the right to determine the suitability of a probationary employee for continued employment.

After the 30 day probation period is completed the employee shall be required to make application to the International Union of Operating Engineers Local 115 and shall receive all rights, privileges and benefits as set out in this letter of understanding and the Road Building Industry Standard Agreement (Paving) agreement in accordance with their classification.

Probation Period must not be abused. In the event of abuse (i.e. employees being laid off without a legitimate reason) the probation clause will no longer be in effect.

Employees on probation shall pay permit fees in the amount of \$40.00 (forty dollars) per 30 days until they become members of the Operating Engineers Union, Local 115. The company shall be responsible for deduction and remittance of said fees.

4. **Wage Schedule** (Per Hour)

<u>Classification</u>	<u>April 1, 2011</u>
Licensed Mechanic	\$29.66
Plant Operator	\$28.88
Unlicensed Mechanic	\$28.36
Operator I	\$27.32
Labourer I	\$27.32
Driver	\$27.32
Operator II	\$24.18
Labourer II (Non Skilled)	\$22.10
Scale	\$13.53
Summer Student	\$11.44

Nothing herein contained shall preclude higher wages being paid to employees of special ability.

5. **Employer Contributions** (Per Hour for qualifying employees)

	<u>Apr.1, 2011</u>
Benefits	\$2.10
Pension	\$4.25
Apprenticeship	\$0.38
Working Dues (Taken off of Employees Cheque and remitted by Company.)	\$0.54
O.E. Advancement Fund	\$0.15
Rehabilitation Fund	\$0.02
Tool Allowance	\$0.08
TOTAL	\$7.52

6. **Rehire**

All employees listed on the June 25, 2005 Certification Voters list shall be first rehired, based on qualifications and company requirements, prior to any placement from the Union Hiring Hall and/or any new employee being hired by the company.

7. **Transportation, Travel Time and Living Out Allowance**

- a. Employees working within a 100 kilometer radius of the Genelle plant will not be eligible for travel time nor Living out allowance. Travel time shall be paid from the Genelle plant to the job site @ straight time and shall not attract overtime. The employee operating the company vehicle from and or to the Genelle plant shall receive overtime for travel.
- b. Employees living in Grand Forks and working within a 100 kms radius from Grand Forks will not be eligible for travel time nor living out allowance.
- c. On all jobs beyond the 100 kilometer radius from Genelle one of the following shall be paid.

- ◆ On jobs where employees are returning to Genelle each day, employees shall receive their appropriate hourly rate for all time traveled to and from the job each day, or
 - ◆ On jobs where employees are not returning home each day they shall receive either one of the employees choosing, \$90.00 per day Living Out Allowance or a company supplied room plus \$40.00 per day. Rooms shall be of single occupants.
- d. When entitled live out allowance shall be paid for seven days per week and shall be paid every regular payday.
 - e. It is understood by both parties that the overtime meal allowance will not apply on this agreement.
 - f. 300 TPH Plant – Employees whose permanent residents is more than 100 km radius from Genelle and are working with the 300 TPH plant will be entitled to a living out allowance of \$90.00 per day. Employees who reside less than 100 km radius from Genelle and are working with the 300 TPH plant and the plant is set up less than 100 kms from Genelle are entitled to a travel allowance of \$15.00 per working day.
 - g. Notice of out of town work shall be of no less than five (5) working days prior to the first day the employee is expected to report. At the employees agreement the above notice period can be reduced.

8. Boundaries

- ❖ The parties agree to the following:
 - Within the geographic area in and around Crescent Valley (a box with its eastern edge being up to but not including the town of Creston, Grand Forks at its western edge, New Denver as its Northern edge and the USA border as its southern edge) Interoute will use Selkirk Paving to perform paving and highway work.
 - Within the south eastern quadrant of the province Interoute will use Selkirk Paving to perform EPS work over 10,000 tonnes except when paving work is performed in any National Park in the above outlined geographical boundary. When paving work is performed in a National Park and Selkirk Paving Mobile Plant is used it shall be manned by a Plant Operator and a Loader Operator who shall be a International Union of Operating Engineers Local 115 Member.

10. Premiums

Effective September 1, 2005, there will be a \$2.00 per hour premium for all hours worked within the Teck Cominco Gates in Trail and Warfield. This premium shall not attract overtime.

11. Foremen

A Foreman shall be appointed when there are 6 or more employees working. They shall receive 10% above the highest wage under his/her supervision.

It is understood by the parties that the Foreman shall be considered a working Foreman.

12. Safety Boots

Employees shall receive on a separate non-taxable cheque, two hundred dollars (\$200.00) each year, upon rehire, as a Safety Boot Allowance for repairs or replacement provided that they worked a minimum of 1000 hours the previous season and the boots are purchased prior to June 30th. The parties agree that each employee that receives this allowance shall provide a receipt for the purchase of boots and said employee wears boots in good condition to work.

Signed this _____ day of _____, 20_____.

For the Union	For the Company