

LETTER OF UNDERSTANDING

between

THE CORPORATION OF DELTA
(hereinafter called "the Employer")

and the

CANADIAN UNION OF PUBLIC EMPLOYEES – LOCAL 454
(hereinafter called "the Union")

RE: APPRENTICESHIP PROGRAM

The purpose of this Letter of Understanding is to outline the agreement between the Corporation of Delta and C.U.P.E. Local 454 with respect to the terms and conditions of an apprenticeship program.

Preamble

1. The Employer and the Union recognize the value of training to both the apprentice and the Organization and therefore agree to the establishment of an apprenticeship program.
2. It is agreed and understood that apprenticeship positions will be determined at the sole discretion of the Employer.
3. Apprentices will be under the provisions and regulations of the *Industry Training Authority Act*.
4. The Apprenticeship Agreement and this Letter of Understanding shall supersede the provisions of the Collective Agreement in the event of inconsistency.

Terms and Conditions

1. Apprenticeship positions shall be posted in accordance with the Collective Agreement. Only regular full time employees who have completed their probationary period are eligible to apply for apprenticeship positions. Where two or more employees are equally capable, the senior candidate shall be chosen.
2. The selection of an apprentice will be on a competitive basis in accordance with Article 14.3 of the Collective Agreement.

Factors that will be considered in the selection process will include, but not be limited to, the following:

- a) relevant education, experience and background
- b) minimum requirements outlined by the Industry Training Authority
- c) past performance and attendance records

- d) availability for technical training assignments
 - e) possession of the tools recommended by the Industry Training Authority
3. Apprentices shall be required to successfully complete a six month probation period. If work performance during the probationary period is unsatisfactory, or the Apprenticeship Agreement is voluntarily terminated by the employee during the probation period, the employee will be permitted to revert to the previous position held without loss of seniority.
 4. Apprentices shall be paid their regular rate of pay, but no more than Trades I rate.
 5. If the apprentice fails a technical training assignment, no apprentice wage differential increase will occur until the technical training is successfully passed.
 6. An apprentice will be placed on an eight hour day, 40 hour work week for technical training assignments.
 7. Apprentices shall apply for Employment Insurance and training allowances/subsidies while attending technical training assignments. If approved by the Employment Insurance Commission, the Employer will top-up the employment insurance benefits up to the maximum allowable under the program. The Employer will not top-up any days that the apprentice is absent during the technical training assignment. Apprentices must submit benefit statements to the Payroll Department before the top-up will be paid. The top-up payment will be made in a lump sum after the technical training assignment has been completed. No top-up payment shall be made from the Employer for repetition of a failed technical training assignment or examination.
 8. During the apprenticeship period, the employees' regular position shall be posted "temporary to indefinite".
 9. After the probation period, an apprentice who has failed a technical training assignment or examination shall be permitted to repeat once only. In the event that the apprentice fails a second time, the apprenticeship will be terminated immediately. Termination of the apprenticeship will entitle the employee to return to the previously held position.
 10. Provided there is a Trades position available, an apprentice who has successfully completed the program and obtained a Certificate of Qualification shall be assigned to the position of Trades II in their respective trade. If there is no vacant Trades II position available, the apprentice shall return to the previous position which had been posted temporary to indefinite, and shall be paid Trades I rate.

11. Where an apprentice is absent from work by reason of sickness or injury, the term of the apprenticeship contract shall be extended accordingly, provided that the extension shall not exceed six months in duration without the approval of the Employer.

12. Employees accepted into the Apprenticeship Program must commit to remain working for Delta during the entire apprenticeship period, and for a minimum of three years following completion of the program. If the apprentice/Trades qualified person leaves Delta within three years, he/she will be required to repay Delta on the following scale:
 - Leave Delta before the end of one year after completion: Full reimbursement of training costs
 - Leave Delta between one and two years after completion: 50% reimbursement
 - Leave Delta between two and three years after completion: 25% reimbursement

Amendments and Duration

1. It is agreed and understood that any matter not specifically referred to in this Letter of Understanding shall be governed by the terms and conditions of the Collective Agreement between the parties. The parties recognize that there may be issues that arise not contemplated by this agreement which may require revisions to this Letter of Understanding.

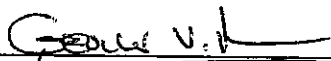
2. This Letter of Understanding shall commence upon signing by the parties and will remain in full force subject to cancellation by either party with sixty (60) calendar days written notice. On agreement by both parties, this agreement may be cancelled earlier than sixty (60) calendar days.


3. In the event this agreement is cancelled, the provisions contained herein will apply to existing apprentices and apprenticeship agreements only, subject to operational requirements, until the expiration of same.

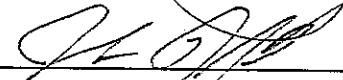
Signed this 9th day of May, 2006.


ON BEHALF OF THE EMPLOYER:

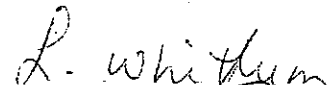
ON BEHALF OF THE UNION:

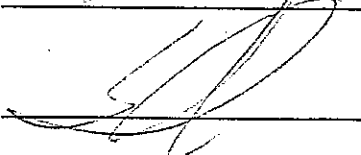












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Signed this 9th day of May, 2006.

ON BEHALF OF THE EMPLOYER:

George V. L.
[Signature]
[Signature]

ON BEHALF OF THE UNION:

[Signature]
L. Whitham
[Signature]