

**NORTH BEACH WATER DISTRICT
PACIFIC COUNTY, WASHINGTON**

RESOLUTION 27-2014

**A RESOLUTION OF THE NORTH BEACH WATER
DISTRICT OF PACIFIC COUNTY, WASHINGTON,
APPROVING REVISION OF THE EMPLOYEE MANUAL.**

WHEREAS, North Beach Water District Board of Commissioner's Approved an Employee Policy and Procedure Manual on April 20, 2009 by Resolution 12-2009; and

WHEREAS, The District's risk management provider, Enduris™, advised the District to reduce exposure to risk by revising its Employee Policy and Procedure Manual to comply with current federal and state labor laws; and

WHEREAS, Enduris™ and the District's attorney, Katherine Weber, worked with the District's General Manager to produce a comprehensive revision to the District's Employee Policy and Procedure Manual that reduces the District's exposure to risk and is in compliance with current federal and state labor laws, now, therefore,

BE IT RESOLVED, by the Board of Commissioners of North Beach Water District, Pacific County, Washington, to approve the Revised "North Beach Water District Employee Policy and Procedure Manual", now referred to as the "North Beach Water District Employee Manual" attached hereto and incorporated herein as Exhibit A.

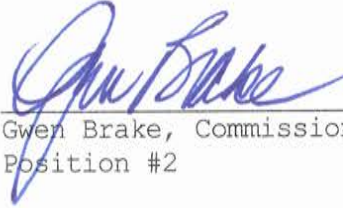
BE IT FURTHER RESOLVED, by the Board of Commissioners of the North Beach Water District, Pacific County, Washington to direct the General Manager to conduct a mandatory attendance two hour employee meeting in the month of December 2014 to review the Revised North Beach Water District Employee Manual (Employee Manual) with the all employees prior

to obtaining employee signatures for receipt and acknowledgement of the Employee Manual.

ADOPTED BY the Board of Commissioners of North Beach Water District, Pacific County, Washington at its regular meeting held on the 4th day of November, 2014.



Brian Sheldon, Commissioner
Position #1

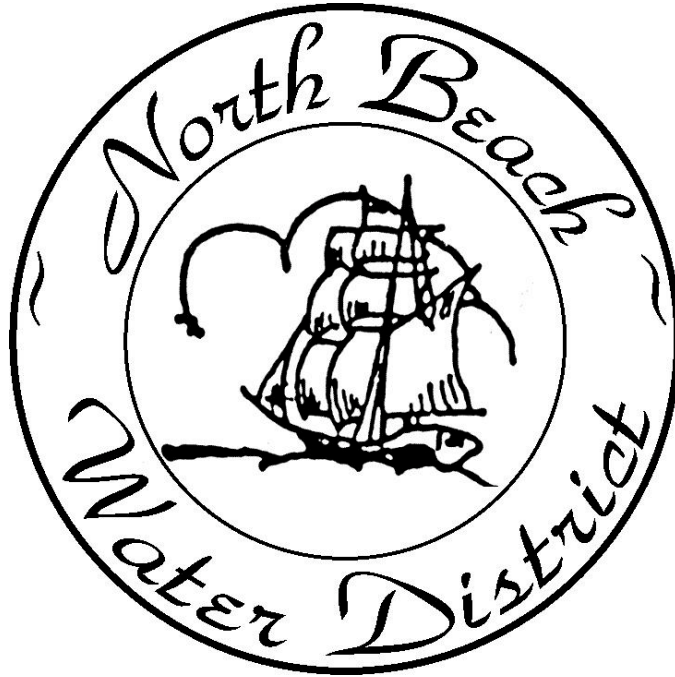


Gwen Brake, Commissioner
Position #2



Glenn Ripley, Commissioner
Position #3

NORTH BEACH WATER DISTRICT EMPLOYEE MANUAL



Approved April 20, 2009 - Resolution 12-2009

Amended:

January 01, 2011 - Resolution 03-2011

August 18, 2014 - Resolution 19-2014

Welcome to the District

Welcome to the North Beach Water District (the “District”)! If you are a new employee, the District welcomes you as a member of our top notch team and hopes that your experience with us will be rewarding. If you are a current employee, the District wishes to express its sincere appreciation for your continued valued service.

The District provides potable water services to residences and business within its jurisdiction. A three-member Board of Commissioners governs the District. Each Board member is elected by voters to serve a six-year term, staggered so that one Commissioner’s term expires every two years. The Board, acting as a body, sets the general policies for operation.

The day-to-day function of the District is administered by a General Manager appointed by the Board.

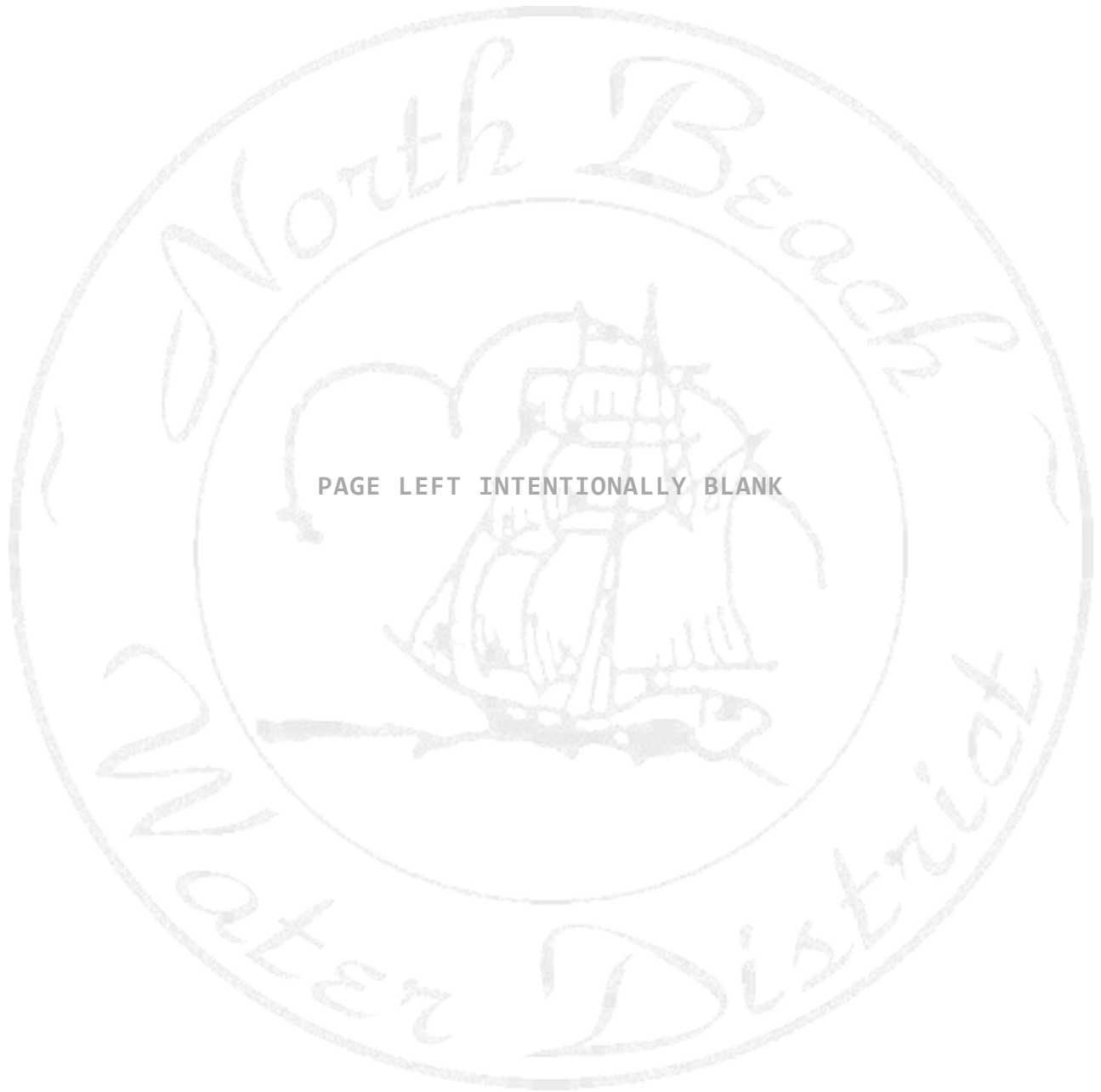
The District’s mission is to provide the highest levels of service and public image. As you will learn, our main goals and aspirations are to always provide quality and courteous customer service. We strive to maintain these ideals in all our efforts and achievements. In order to achieve these goals, it takes all of us working together in a positive and creative environment. The District has prepared this Employee Manual in an effort to clearly outline the District’s expectations of its employees as well as to advise you of the District’s current policies and procedures. It is your responsibility to read this Employee Manual carefully, and to contact your immediate supervisor with any questions or concerns regarding the policies stated herein.

It is the District’s goal to serve its customers to the best of its ability and at a reasonable cost. As an integral part of this organization, your success in your job is vital to us in attaining our goals. We hope our relationship will be satisfactory and mutually beneficial. Again, welcome!

Table of Contents

I. INTRODUCTION.....	5
Employment Relationship.....	5
Employee Teamwork.....	6
Communications.....	6
II. GENERAL EMPLOYMENT POLICIES.....	7
Employee Classifications.....	7
Equal Employment Opportunity.....	7
Anti-harassment/Non-discrimination Policy.....	8
Harassment Will Not Be Tolerated.....	8
What is Harassment?.....	8
What To Do If Harassment Occurs.....	9
Trial Period.....	10
Work Schedule.....	11
Performance Evaluations.....	11
Personnel Files.....	12
Termination of Employment.....	12
Exit Interviews.....	13
III. COMPENSATION AND SALARY POLICIES.....	15
General Compensation Policy.....	15
Overtime Work.....	15
Compensatory Time.....	15
On-Call Duty.....	16
Call Back Pay.....	16
Payroll Deductions.....	17
Paydays.....	17
Employee Benefits.....	17
Health Insurance.....	17
Holidays.....	17
Vacation Leave.....	18
Sick Leave.....	20
Medical Leave.....	21
Military Leave.....	22
Military Spouse/Domestic Partner Leave.....	22
Leave for Domestic Violence Victims and Their Family Members.....	22
Bereavement Leave.....	23
Jury Duty Leave.....	23

Unpaid Leave.....	24
Workers' Compensation.....	24
Retirement Plan.....	24
Travel Expenses.....	24
Certification and Educational Reimbursement.....	25
IV. EMPLOYEE COMMUNICATIONS.....	27
Bulletin Boards.....	27
Non-solicitation.....	27
Electronic Usage.....	27
Complaints.....	28
Whistleblower Protection.....	29
V. EMPLOYEE SAFETY AND HEALTH.....	31
Employee Safety.....	31
Accidents.....	31
Accommodation.....	32
Medical/Physical Examinations.....	32
Non-Tobacco Use Policy.....	32
VI. EMPLOYEE CONDUCT AND STANDARDS.....	33
Employee Conduct.....	33
Attendance.....	34
Unusual Conditions.....	34
Attendance During Hazardous Weather Conditions.....	34
Drugs and Alcohol.....	35
Employees with Commercial Driver's Licenses.....	38
Conflicts of Interest.....	39
Employment of Relatives.....	39
Violence in the Workplace.....	40
Prohibition of Possessing Concealed Weapons on District Premises.....	41
Dress and Personal Appearance.....	41
Personal Telephone Calls.....	42
Use of District Property.....	42
Vehicle Usage.....	42
Workplace Searches.....	44
VII. LAST CHANCE AGREEMENT.....	45
VIII. MANUAL RECEIPT AND ACKNOWLEDGMENT.....	47
IX. PAYCHECK DEDUCTION AUTHORIZATION.....	49



PAGE LEFT INTENTIONALLY BLANK

I. INTRODUCTION

This Manual has been prepared to introduce employees to the District and is intended to be a source of information and general statement of the District's personnel policies and procedures. It summarizes some of the benefits employees may receive and some of their duties and responsibilities as an employee.

This Employee Manual is presented as a matter of information only to help employees get acquainted with the District and its operations. It is simply a general statement of District policy and it should not be interpreted as making any promises of specific treatment in specific situations or as a contract, express or implied, between the District and any of its employees. Further, this Employee Manual is only a summary of the policies adopted by the District and is not intended to confer contractual rights of any kind upon any employee or to create contractual obligations of any kind for the District. The employer/employee relationship is at-will.

“At-will” means an employee may resign his/her employment at any time for any reason, and the District may terminate an employee’s employment at any time with or without cause. We expect our employees and management to work together to be productive and efficient.

Employees should see the General Manager if they have any questions regarding any of the policies or procedures generally outlined herein. The General Manager is responsible for implementing and administering these policies; however, the General Manager has no power to modify these policies without a specific delegation of authority from the Board of Commissioners.

As the District’s operations continue to grow and evolve, it may be necessary to change the policies described in this Manual. *The Board of Commissioner’s reserves the right to suspend, revise, supplement or repeal any policies or portions thereof in this Employee Manual at its sole discretion and as it deems appropriate.* Employees will be notified of any changes to this Manual prior to their occurrence.

This Employee Manual supersedes all previous District Employee Manuals and Employee policies.

EMPLOYMENT RELATIONSHIP

Employment with the District is by mutual agreement and either the employee or the District may terminate the *at-will* employment relationship at any time, with or without cause or advance notice, and without compensation except for time actually worked. Verbal promises or statements to the contrary will not form an express or implied contract and should not be relied upon by any employee. Only the General Manager, with the authorization of the Board of Commissioners, may alter the at-will relationship by written contract.

EMPLOYEE TEAMWORK

The achievement of the District's goals of providing excellent service to our rate payers is dependent upon teamwork between all employees of the District. Each of us in the District has an important role to play, and the success of each of us is dependent upon the contribution, support and performance of others. Because teamwork and mutual respect and support are key ingredients to success, significant importance is placed on promoting ideas aimed at achieving and maintaining the spirit of teamwork among all of the staff.

COMMUNICATIONS

Communication is a two-way street. While the District management will try to keep its employees current with job-related information, it is each employee's responsibility to make an effort to stay informed. Our experience has shown that when employees deal openly and directly with management, the work environment can be excellent, communications can be clear and attitudes can be positive.

The District welcomes employee suggestions and opinions about any aspect of the District's operations.

II. GENERAL EMPLOYMENT POLICIES

EMPLOYEE CLASSIFICATIONS

The following terms are used to describe the classifications of employees and their employment status with the District:

Regular Full-Time Employees: Employees who are regularly scheduled to work forty (40) hours or more per week. Except as otherwise specified, regular full-time employees are eligible for the District benefits outlined in this Manual.

Regular Part-Time Employees: Employees who are regularly scheduled to work less than forty (40) hours per week. Unless otherwise stated, regular part-time employees are ineligible for District benefits.

Temporary Employees: Employees who are hired for a pre-established period, and usually on a short-term basis. Temporary employees may work a full-time or part-time schedule. Temporary employees are ineligible for District benefits.

Trial Period Employees: Employees who have not completed their initial six (6) month trial period with the District.

Exempt Employees: Employees whose positions meet both the salary and duties tests established by the Fair Labor Standards Act (FLSA) and Washington Minimum Wage Act (WMWA) and who are exempt from federal and state overtime pay requirements. Typically, but not always, the District's exempt employees are those in a qualifying executive, professional or administrative position, as those positions are defined by the law.

Nonexempt Employees: Employees whose positions do not meet FLSA and WMWA exemption tests and who are paid a rate of one and one half (1½) times their regular rate of pay for hours worked in excess of forty (40) per work week.

EQUAL EMPLOYMENT OPPORTUNITY

The District is dedicated to equal employment opportunities. It provides equal employment opportunities without regard to race, sex, color, creed, national origin, religion, age, marital status, sexual orientation, mental or physical disability, veteran's status or any other legally protected status. This policy applies to all terms and condition of employment, including but not limited to hiring, placement, promotion, termination, reduction in force, transfer, leaves of absence, compensation and training. The District complies with all applicable federal, state and local laws that prohibit discrimination in employment.

Any District employee who is found to have violated the District's strict policy against any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

ANTI-HARASSMENT/NON-DISCRIMINATION POLICY

HARASSMENT WILL NOT BE TOLERATED.

The District is committed to providing a workplace that is free of verbal, physical and visual forms of harassment so that everyone can work in a productive, respectful and professional environment. Harassment in employment that is based on sex, race, color, national origin, creed, religion, sexual orientation, age, disability or any other basis prohibited by federal, state or local law is strictly prohibited. The District does not tolerate harassment by anyone in the workplace—whether by supervisors, co-workers or non-employees. Employees who violate this policy are subject to discipline, up to and including termination.

WHAT IS HARASSMENT?

Examples of harassment based on race, color, national origin, religion, age or disability include, but are not limited to:

- Memos, e-mails, cartoons or other visual displays of objects, pictures or posters that depict such groups or individuals in a derogatory way; or
- Verbal conduct, including making or using derogatory comments, epithets, slurs and jokes towards individuals or such groups.

Sexual harassment is generally defined as unwelcome sexual advances, requests for sexual favors, or other visual, verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of employment; or
- Submission to or rejection of such conduct affects employment opportunities; or
- The conduct interferes with an employee's work or creates an intimidating, hostile or offensive work environment.

Sexual harassment includes harassment based on another person's gender or harassment based upon pregnancy, childbirth or other related medical conditions. It also includes harassment of another employee of the same gender as the harasser.

Examples of sexual harassment include, but are not limited to, the following types of behavior:

- Unwelcome sexual advances, like requests for dates or propositions for sexual favors;
- Excessive one-sided, romantic attention in the form of love letters, telephone calls, e-mails or gifts;

- Offering or conditioning an employment benefit, such as a raise, a promotion or a special job assignment, in exchange for sexual favors;
- Making or threatening reprisals, or changing performance expectations after an employee has turned down a sexual advance;
- Visual or physical conduct, like leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, calendars or posters in the workplace;
- Verbal conduct or written material (including emails or other electronic documents), like making or using derogatory comments, epithets, slurs, teasing and jokes of a sexual nature;
- Graphic verbal or written comments (including emails or other electronic documents) about an individual's sex life or body;
- Sexually degrading words used to describe an individual;
- Suggestive or obscene letters, emails, notes or invitations; and
- Unwelcome physical conduct, including pats, hugs, brushes, touches, shoulder rubs, assaults, or impeding or blocking movements.

This policy is also violated if an employee is fired, denied a job or denied some other employment benefit because the employee refused to grant sexual favors, complained about harassment or assisted in an investigation of harassment.

The District is committed to taking reasonable steps to prevent harassment from occurring and will take immediate and appropriate action when unlawful harassment is reported. To do this, however, the District needs the cooperation of all employees at all levels.

WHAT TO DO IF HARASSMENT OCCURS.

Each employee is responsible for reporting and adhering to this policy. Employees should never tolerate inappropriate behavior. They should make their feelings known to the offending employee. In many cases, if an employee makes his/her feelings known to the offending person(s), tells him/her that the conduct is not appropriate and asks him/her to stop, this may take care of the situation. However, if any employee is not comfortable doing this, then the employee must promptly report any offending behavior, whether such behavior is directed towards the employee personally or towards other employees of the District, to the General Manager or, if the General Manager is the subject of the complaint, to the Board of Commissioners. Employees are required to report concerns about discrimination or harassment before behaviors become severe or pervasive as the District prefers to stop discrimination or harassment before it rises to the level of a violation of the anti-discrimination laws.

The District will promptly and appropriately investigate all claims of harassment. Complaints of discrimination or harassment will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that the allegations of discrimination or harassment are shared with those who have a need to know so that the District can conduct an effective investigation and take appropriate action to prevent any further violation of this policy.

The complaining employee will usually be requested to provide as many details as possible, such as the date(s), location(s), name(s) of witnesses, or information about the alleged harasser(s). Persons with relevant information will be interviewed. During the investigation, steps may be taken, when appropriate, to minimize contact between the complaining employee and the alleged harasser. After the investigation is completed, the District will share its findings with the complaining employee, the alleged harasser, and if appropriate other employees directly concerned with the incident.

If the District concludes that unlawful harassment has occurred, prompt and effective remedial action will be taken. This may include discipline of the harasser and other actions to remedy the effects of the harassment and to prevent further harassment. No action will be taken against any employee who in good faith files a complaint of harassment or who assists in the investigation of such complaint by providing information. Employees who believe they have been retaliated against for having reported harassment or participated in an investigation of a harassment complaint are urged to promptly notify the General Manager or Board of Commissioners so their concerns may be investigated. Appropriate corrective measures will be taken if allegations of retaliation are substantiated.

TRIAL PERIOD

The first six (6) months of employment from the most recent date of hire is considered a trial period for all employees. The work of new employees is monitored closely during the trial period. A decision is made prior to the end of the trial period regarding continued employment. This period may be extended if it is determined that circumstances have not yet provided an adequate opportunity to evaluate performance. The District may conduct a written performance evaluation of trial period employees on or around the expiration date of their trial periods.

An employee does not begin to accrue vacation and sick leave, and may not use such leave, until he/she has satisfactorily completed his/her trial period.

Upon satisfactory completion of the trial period an employee becomes a regular employee.

Additionally, existing employees promoted to a higher-level position will also be subject to a six (6) month trial period. The General Manager shall determine prior to the completion of the probation period whether the employee

has met the performance expectations of the new position. The General Manager may extend the trial period when he/she determines, in his/her discretion, that the circumstances warrant such an extension. If the General Manager determines that the employee has not satisfactorily met the performance expectations of the new position, the employee may be demoted to the employee's previous position, or an equivalent position for which the employee is qualified, if available. If no such lower-level position is available, the employee's employment may be terminated.

Regardless of an employee's satisfactory completion of his/her trial period, employment with the District at all times remains "at-will". All employees, regardless of classification, status or length of service, are expected to meet and maintain District standards for job performance and behavior.

WORK SCHEDULE

The District's work week commences at 12:00 a.m. Sunday and ends at 11:59 p.m. the following Saturday. The District's general office hours are from 8:00 a.m. to 4:30 p.m., Monday through Friday and its normal field operations are from 8:00 a.m. to 5:00 p.m.; however, as the provider of essential utility services, the District's hours of operations and correlating employee schedules may vary. The General Manager or his/her designee shall establish the work schedules for each respective employee. Employees are expected to work all hours and days scheduled.

Office employees working more than five (5) hours in a day receive a prescheduled unpaid 30-minute lunch break; field employees working more than five (5) hours in a day receive a prescheduled unpaid 60-minute lunch break. All employees working four (4) or more hours daily earn additional 10-minute paid work breaks for each four (4) hours worked each day, up to a total of twenty (20) minutes. These breaks shall be taken on a schedule approved by the employee's supervisor. Employees must be on time and work their assigned schedule.

PERFORMANCE EVALUATIONS

The District may, in its discretion from time to time, conduct employee performance evaluations. Participation in these performance evaluations is a mandatory term and condition of employment and an employee's refusal to participate in a performance evaluation as required by the District shall result in disciplinary action, up to and including termination.

Performance evaluations are utilized by the District not only to evaluate job performance, but to solicit employee comments, suggestions and complaints as well. Employees are encouraged to use any performance evaluation to address any employment-related issue that he/she may have.

Performance evaluations shall be scheduled by the District on annual basis, typically corresponding with the employee's anniversary date. However, this

schedule may be altered or extended by the District from time to time, in its sole discretion.

PERSONNEL FILES

The District maintains personnel records on all employees. In order to keep these records complete and up-to-date, it is essential that all employees, including those on medical leave of absence, notify the payroll department of any changes, such as address, telephone number, number of dependents, marital status, insurance beneficiary or persons to notify in case of emergency. An employee should submit any changes to this information, in writing, to the payroll department through the employee's supervisor.

The privacy of personnel records is respected within the District. Private information will not be released without the subject employee's written consent, unless required by law or for review by management.

Employees may examine their personnel file at the District office by making an appointment to view such personnel file at a mutually convenient time. The employee may be permitted to make copies of the information contained in his or her personnel file, but may not at any time remove, request or require the removal of any documents contained in the personnel file. The District reserves the sole right to maintain its employees' personnel files in a manner that it deems fit and reasonable.

TERMINATION OF EMPLOYMENT

A termination of employment may be either voluntary or involuntary. Voluntary termination includes resignations and layoffs due to work or staff reduction. Involuntary termination is a termination by the District, with or without cause.

All employee resignations, including retirement, should be in writing. The District requests that it be notified as soon as possible, but not less than two (2) weeks prior to, such voluntary termination by the Employee.

Only former employees terminated voluntarily will be considered for rehire. A rehired employee will not retain former seniority and will be given a new service start date.

Upon termination of employment, regular employees will be paid their accrued but unused vacation leave in accordance with those policies; provided, that, in the event of a voluntary termination by the employee, the employee must provide the District at least two (2) weeks written notice of such termination. Employees who voluntarily terminate their employment shall also be paid their accrued but unused sick leave at the rate of one-half (50%) their regular rate of pay; provided that the employee must provide the District at least two (2) weeks of written notice of such termination. If an employee fails to provide the District at least two (2) weeks' notice of the

employee's voluntary termination, that employee shall forfeit the payment of his or her accrued but unused vacation and sick leave.

Upon receiving notice of a voluntary resignation as required herein, the District in its discretion may elect to accept such resignation effective as of an earlier date, in which case the District shall pay to the resigning employee an amount equal to that which the employee otherwise would have earned had employee worked his/her normal schedule through the resignation date, up to two (2) weeks of employee's regular wages.

Employees whose employment has been terminated, whether voluntarily or involuntarily, shall be paid at the end of the next-regularly scheduled payroll period for all hours worked by the employee up to the date of termination.

An Employee whose employment with the District is terminated shall return to that employee's immediate supervisor all District property in the employee's possession, including but not limited to all District keys, equipment, etc. prior to leaving the District. All District property must be returned in good condition, normal wear and tear excepted. If an employee fails to return any District property, the replacement value of such unreturned property shall be deducted from the employee's final paycheck. Each employee shall at the commencement of their employment execute a paycheck deduction authorization, in such form as provided by the District, towards this end. By accepting any District property, an employee acknowledges and agrees that the property is provided for the benefit of the employee, and that the employee's failure to return such property upon the District's request shall constitute a valid and enforceable debt of the employee to the District.

EXIT INTERVIEWS

Employees who leave the District may be requested to participate in an exit interview with a designated representative of the District prior to the employee's last work day. This is to document the reasons for the employee's leaving and to solicit constructive feedback designed to improve the District.



PAGE LEFT INTENTIONALLY BLANK

III. COMPENSATION AND SALARY POLICIES

GENERAL COMPENSATION POLICY

The District strives to pay wages and benefits that are competitive with those in our community and industry and that recognize individual effort and contribution to the success of the District. The District's wage and salary plan classifies each position on the basis of: knowledge and ability requirements; variety and scope of responsibilities; and physical and mental demands. Established wage or salary ranges may be reviewed and adjusted periodically by the District, at its sole discretion. Employees may obtain the current wage or salary range for their employment positions from their respective supervisor.

OVERTIME WORK

From the very nature of the District's business, needs arise, from time-to-time, calling for additional work. During these times, the District expects all employees to cooperate with extended work schedules, as determined by the General Manager or his/her designee.

Regular employees who are not exempt from the federal and state overtime laws and who work more than forty (40) hours within a work week shall be paid overtime wages. All overtime work must be approved in advance by the employee's immediate supervisor; provided, that in the event of an emergency, authorization should be obtained as soon as reasonably possible.

Overtime shall be paid at the rate of one and a half (1½) times the employee's regular hourly rate of pay and shall be paid to the nearest quarter of an hour. Time paid for but not actually worked (such as holidays or vacation) shall not count as time worked for the purpose of computing overtime.

COMPENSATORY TIME

Upon prior written approval by the General Manager, a non-exempt employee may choose to receive compensatory time off in-lieu of overtime pay, on the basis of one and one-half (1½) hours for each "overtime" hour worked (as defined above). Employees may accrue up to forty (40) hours of compensatory time at any one time; anything above this amount shall be cashed out to the employee at the employee's regular rate of pay. Employees requesting to use compensatory time should make a request to their supervisor at least two (2) weeks in advance; approval of such request is subject to the discretion of the General Manager based on operational needs and staffing schedules. Employee must use accrued compensatory time within fifty two (52) weeks of the time that the compensatory time was earned. If not used within this time, accrued compensatory time will be cashed out at the Employee's regular rate of pay. Accrued compensatory time shall be cashed out at the termination of employment.

ON-CALL DUTY

Due to the essential public services the District provides, all full-time field personnel positions are expected to perform "on call" duty, as designated and assigned by the General Manager. On call duty begins each Wednesday at the close of the field operations and ends the following Wednesday at the close of field operations. Employees on call shall be available to resolve customer problems and/or to respond to emergency calls and perform emergency maintenance. All employees on call shall remain within a fifteen (15) minute travel time to the District's office and shall carry the District cell phone or other equipment allocated for purposes of maintaining contact with the District. Employees on call are not engaged in actual work and not engaged to wait for work; accordingly, on call time shall not be considered compensable time. Notwithstanding, employees shall receive an additional per diem amount, as determined by the Board of Commissioners from time to time in its sole discretion, for the time they are on call. [OR] Notwithstanding, employees who serve their full on call duty shall receive seven (7) hours of pay, for that on call duty, at their overtime rate, which on-call pay includes compensation for the normal field rounds performed on Saturdays, Sundays, and Holidays.

Holidays: Employees scheduled to be on call during a District recognized holiday, as listed in Section IV, shall receive eight (8) hours of holiday leave the Friday following the completion employees on-call duties, or as scheduled by the General Manager; provided, that to be eligible for such additional leave, the employee must work the entire on call period.

CALL BACK PAY

All employees (including but not limited to those on call) are subject to mandatory call back in emergencies or as needed by the District to provide necessary services to the ratepayers. An employee who is off duty or on call and is called back to work shall be paid a minimum of two (2) hour(s) at one-and-one-half (1½) times the employee's regular straight-time hourly rate of pay as "call back pay;" provided, however, that if the employee's regular shift starts less than one (1) hour from the time the employee is called back, the employee shall receive call back pay for only such time as occurs before the employee's regular shift. The District shall pay the minimum two (2) hour(s) of call back pay for up to two (2) call backs per day (4 hours maximum). All calls after the first two calls per day shall be paid at the call back rate for time actually worked. Notwithstanding the foregoing, where an employee is able to respond to a call via telephone, computer or any other means that does not require the employee to physically report to the site or the District's office, the employee shall not be paid the minimum 2-hour increment set forth in this policy but rather shall be paid call back pay in 30-minute increments, regardless of the number of calls received within that 30-minute time frame.

The expected response time for a "Call Back" is thirty (30) minutes except for the "On Call" employee who is subject to the response time for the "On Call" status. Employees who are not "On Call" who are not able to respond to a "Call Back" will not be subject to disciplinary action.

Employees called back to the office or a job site must wear a District uniform at all times while performing District business.

PAYROLL DEDUCTIONS

The District shall make various payroll deductions each payday to comply with federal and state laws pertaining to taxes, insurance and garnishments, and as may be otherwise requested/authorized by an employee. At the end of each calendar year, each employee shall be supplied with a Wage and Tax Statement (W-2) form. This statement summarizes the employee's income and deductions for the year. Employees should contact the General Manager regarding any questions relating to these deductions.

PAYDAYS

The District's monthly payroll periods run according to the District's established payroll schedule. Employees should see the General Manager regarding any questions relating to paydays.

EMPLOYEE BENEFITS

HEALTH INSURANCE

The District carries a medical, vision and dental insurance plan which is offered to all regular full-time employees after three (3) full calendar months of employment. The District pays 100% of the cost of such coverage. These plans are discussed in detail in the Summary Plan Descriptions that are available from the Office. The District retains the sole discretion to alter, add to, amend or discontinue its insurance plan(s) and/or its contribution percentage at any time. Employees who elect not to participate in the District's plan are not eligible or entitled to receive any insurance contribution or reimbursement from the District and will be required to execute a Decline Form which will be provided by management.

The District does not provide continued health or other insurance coverage for unpaid leaves of absences.

HOLIDAYS

Regular full-time employees shall be granted the following holidays:

- New Year's Day—1st day of January
- Martin Luther King Day—3rd Monday of January
- President's Day—3rd Monday of February

- Memorial Day—Last Monday of May
- Independence Day—4th day of July
- Labor Day—1st Monday of September
- Veterans' Day—11th day of November
- Thanksgiving—4th Thursday in November
- Day Immediately After Thanksgiving
- Christmas—25th Day of December

If a holiday falls on a Saturday, the District will observe the holiday on the preceding Friday. If the holiday falls on a Sunday, the District will observe the holiday on the following Monday.

For an employee to receive pay for a holiday, the employee must work the day before and the day after the holiday, or otherwise take approved vacation leave on those days. If an employee takes one or both of those days as sick leave, he/she will not receive pay for the holiday unless and until he/she has provided a letter from his/her medical treatment provider substantiating that he/she was sick on the day (or days) taken as sick days immediately prior to or proceeding a holiday.

In addition to the foregoing official holidays, each regular full-time employee shall also be entitled to two (2) paid floating holidays per calendar year. Floating holidays should be scheduled with the employee's Division Head as soon as possible, and the Division Head has the discretion to schedule floating holidays in a manner so as not to interfere with or unduly disrupt District operations. Floating holidays must be used in full increments and must be used in the calendar year in which they accrue; unused floating holidays may not be carried over and are not otherwise cashed out.

Holidays shall be paid at the employee's regular rate, based upon the hours the employee would have worked, but for the holiday. Employees shall not be eligible for paid holidays during their trial period.

Any employee who is required by the District to work on a holiday observed by the District, shall be paid at the rate of one and a half (1½) times that employee's regular hourly rate; provided, that such employee must have worked the last regularly-scheduled work day immediately preceding the holiday, and the first regularly-scheduled work day immediately following the holiday, except for excused absences such as sick leave, jury duty or personal leave.

Holidays for part-time and temporary employees shall be unpaid.

VACATION LEAVE

Vacation leave is provided to regular full-time employees to promote their health and well-being. Vacation benefits do not begin to accrue, and may not be used, until the employee has successfully completed his/her trial period.

Vacation leave is accrued at the following rates based upon the employee's completed years of service:

- o Completion of trail period to two years' service - 40 hours per year
- o Three years to five years' service - 80 hours per year
- o Six years to ten years' service - 120 hours per year
- o 11 years and more - 160 hours per year

Vacation shall accrue on a monthly basis; for example, an employee who has completed one year of service shall earn 3.33 hours of vacation for each completed month of service thereafter, up to 40 hours for that anniversary year; an employee who has completed three years of service shall earn 6.67 hours of vacation for each completed month of service thereafter. "Completed years (and months) of service" shall be measured from each employee's anniversary date.

Vacation leave will accrue only when an employee is in paid status (which includes paid leave but does not include unpaid leave or worker's compensation). Vacation leave may not be used until after it is earned. Vacation may be taken in one (1) hour increments and up to a total of ten (10) consecutive days, unless otherwise approved by the General Manager or designated Division Head. Employees may carry over accrued and unused vacation leave from one calendar year to the next, up to a maximum total accrual of one (1) year's vacation entitlement based on the applicable accrual rates for the employee as of January 1st of each calendar year. Any hours which exceed this maximum as of November 30th of each calendar year will be cashed out to the employee at the employee's regular rate of pay on the first payday in December of the same calendar year.

Vacation benefits shall be paid at the employee's regular hourly rate based upon the number of hours the employee would have worked had the employee worked the employee's regular schedule during the leave period.

Employees must request to use their leave benefits as far in advance as possible, and in no event less than 48 hours before the requested leave, except in emergency situations. The General Manager or designated Division Head will schedule vacation after considering the employee's request and the District's operational and staffing requirements, and the District retains the discretion to grant or disapprove vacation leave based on its operational needs. Upon approval of vacation periods, no changes will be allowed unless approved by the General Manager.

An employee, at the employee's election, may use accrued vacation leave instead of or in addition to accrued sick leave for reasons that sick leave would be approved. Employees using vacation leave for these purposes must inform their supervisor of their absence in the same manner as is expected of those who are using sick leave.

Upon the next regularly-scheduled pay day following the effective date of a regular full-time employee's termination, the employee shall be paid for any earned but unused vacation leave benefits; provided, that the employee has successfully completed his or her trial period and, in the case of a voluntary resignation, has given the District the required notice.

Part-time and temporary employees shall not be eligible for or entitled to vacation leave benefits.

SICK LEAVE

Sick leave is provided to regular full-time employees for use when their own illness or disability, or the illness or disability of certain family members, requires time away from work.

Upon satisfactory completion of the trial period, a regular full-time employee shall begin accruing sick leave at the rate of 6.67 hours for each following calendar month of completed employment. Sick leave will accrue only when an employee is in paid status (which includes paid leave but does not include unpaid leave or worker's compensation). Sick leave may not be used until after it is earned. Sick leave may be taken in hourly increments; provided, exempt employees shall take sick leave in one-day increments—absences of less than one day shall not be charged against an exempt employee's accrued sick leave.

Employees may use accrued sick leave for the following reasons:

- The employee's own bona fide illness or incapacitating injury, or disability, including temporary disability caused by pregnancy or childbirth.
- Medical or dental appointments; provided that the employee must notify his or her supervisor of such appointment at least three (3) days in advance and obtain prior approval for the use of such leave; provided further, that this notice requirement may be waived by the District in the event of an unforeseen medical emergency or other circumstances which reasonably prevents the employee from providing the notice required herein.
- To care for a child of the employee with a health condition requiring treatment or supervision. For purposes of this Manual, "child" is defined as a biological, adopted or foster child, a stepchild, a legal ward, or a child residing with a person who is standing in for a parent.
- To care for the employee's spouse/domestic partner, parent, parent-in-law, domestic partner's parent, sibling or grandparent who has a serious health condition or an emergency health condition. For purposes of this policy, "domestic partner" shall have the same meaning and qualification requirements as "state registered domestic partner," as set forth in Chapter 26.60 RCW.

- o Other circumstances which may be authorized by the General Manager, in the Manager's discretion

Sick leave benefits shall be paid at the employee's regular rate of pay.

An employee who on December 1 of any calendar year has an accrued sick leave balance of at least 240 hours (30 days) may elect prior to the end of the calendar year to cash out all or any portion of those accrued hours which exceed 240, at the rate of one-half (1/2) of the employee's regular rate of pay.

Employees unable to report for work due to illness or injury must notify their supervisor before the start of their shift. If an employee is unable to speak with the supervisor, he/she should leave a message. Employees arriving after the start of a shift must check-in with their supervisor. If the need to use accrued sick leave is foreseeable based upon planned medical treatment, the District requires that employees provide at least thirty (30) days advance notice, or if the date of treatment is scheduled in less than 30 days, as much advance notice as is practicable.

The District may require any employee to provide proof of illness, injury or health condition from a qualified health care provider. Additionally, the District may require any employee to provide a medical certification of the employee's fitness to return to duty following sick leave where the nature of the employee's medical condition and his/her job duties are such that unfitness for duty may present a risk of injury to the employee or to others. Failure to provide the required verification may result in loss of leave benefits for that work period and/or a delay in reinstatement, and may result in further disciplinary action, up to and including termination.

Employees who misuse sick leave will be subject to disciplinary action, up to and including termination.

Part-time and temporary employees shall not be eligible for or entitled to sick leave benefits.

MEDICAL LEAVE

Regular full-time employees shall be eligible for up to six (6) weeks of unpaid medical leave in any rolling 12-month period. Medical leave is available to address a serious health condition that (i) prevents or is anticipated to prevent an employee from working more than ten (10) consecutive days; or (ii) is certified by a medical professional as rendering the employee unable to work on a full-time basis for a period of more than ten (10) consecutive days. Medical leave must be taken consecutively and in full-day increments unless intermittent leave is certified by a medical care provider as medically necessary. Accrued but unused vacation and sick leave or compensatory time must be used in connection with a medical leave; if the employee has no accrued leave, or otherwise exhausts such leave, the medical leave shall be unpaid.

Medical certification is required to support a request for medical leave. The District reserves the right to obtain a second opinion, at the District's expense. During medical leave, employees are expected to keep the General Manager apprised of the status of their condition and any changes to their anticipated return date.

MILITARY LEAVE

Any employee who is a member of a military reserve force of the United States or of the Washington National Guard will be entitled to military leave with pay not to exceed twenty-one (21) working days during each October 1 through September 30 time period. Such leave will be granted when the employee is ordered to report for active duty, when called, or when ordered to take part in active training duty. Paid military leave will be in addition to any compensatory time, vacation or sick leave to which the employee might otherwise be entitled, and will not involve the reduction of any benefits, performance rating, privileges or pay. During the period of paid military leave, the employee will receive his or her normal base pay. Unless prohibited by military necessity, employees must provide the District with a copy of their orders at the time they request military leave.

Requests for military leave must be made as soon as reasonably practical or within two weeks after the employee learns of the need for such leave.

In addition to paid military leave, employees will be granted an unpaid military leave of absence for service in the armed forces of the United States or the State of Washington, to the extent required by applicable state and federal law.

MILITARY SPOUSE/DOMESTIC PARTNER LEAVE

An employee whose average work week consists of at least twenty (20) hours shall be entitled to up to fifteen (15) days of unpaid military leave per deployment after the employee's spouse or domestic partner has been notified of an impending call or order to active duty and before the military spouse is deployed, or when the military spouse/domestic partner is on leave from deployment. Employees intending to take this leave must notify the District within five (5) days after receiving official notice of a call or order to active duty or of a leave from deployment. Employees may elect to use accrued vacation or sick leave in conjunction with this military leave.

This leave is available only during a time of war, meaning the President or Congress has declared war or military reserves have been called to active duty.

LEAVE FOR DOMESTIC VIOLENCE VICTIMS AND THEIR FAMILY MEMBERS

Employees who are victims of domestic violence, sexual assault or stalking may take reasonable unpaid leave from work to take care of legal or law

enforcement needs or to get medical treatment, social services assistance or mental health counseling, or to participate in safety/relocation planning. Employees who are qualifying family members of a domestic violence victim are also eligible for leave under this policy. For purposes of this policy, the term "qualifying family member" means child, spouse/domestic partner, parent, parent-in-law, domestic partner parent, grandparent or person the employee is dating. Employees may elect to use accrued paid personal leave for this leave.

Employees wishing to take leave under this policy must give as much advance notice of the need for the leave as possible. Leave requests must be supported with one or more of the following:

- A police report indicating that the employee or the employee's qualifying family member was a victim;
- A court order providing protection to the victim;
- Documentation from a healthcare provider, advocate, clergy or attorney;
- The employee's written statement that the employee or employee's qualifying family member is a victim and needs assistance.

Upon return from this leave, employees will be reinstated to their same position or another position with substantially equivalent benefits and terms and conditions of employment.

BEREAVEMENT LEAVE

A regular full-time employee shall receive up to three (3) paid days of bereavement leave in the event of a death of the employee's child, spouse or domestic partner, parent, sibling, grandparent or the employee's "in-law" or "step" equivalent of any of the above relatives. In addition, an employee, with approval from the General Manager, may use accrued paid leave (i.e. compensatory time, sick leave, vacation leave, and/or personal holiday days) to take leave without pay for the purposes of bereavement (WAC 357).

JURY DUTY LEAVE

Any employee called upon for jury service in any municipal, county, state or federal court must advise the District upon receipt of such call. Regular full-time employees shall receive paid jury duty leave at their regular rate of pay, not to exceed ten (10) days, for each scheduled work day served, less any compensation received by the employee for these functions. Employees shall keep their supervisor updated daily as to their status. For purposes of offsetting amounts paid to an employee as compensation for jury duty against the paid leave, compensation received as specific reimbursement for travel expenses shall not be considered compensation for jury duty services.

Employees who are excused from jury duty with more than three (3) hours left in their regular shift must report to work.

UNPAID LEAVE

The General Manager may grant an employee an unpaid leave of absence for a period of no longer than three (3) months. Requests for such leave, including medical documentation of the need for leave (if applicable), must be submitted in writing. The decision to grant an unpaid leave of absence will be determined based on the facts of each request and consideration of the District's business operations.

Employees on unpaid leave will not receive benefits and will not accrue vacation or sick leave during that leave. Failure to return from an unpaid leave of absence on the date specified for the end of that leave will constitute a resignation from the District.

WORKERS' COMPENSATION

The District carries Washington Industrial Insurance through the Department of Labor & Industries to cover the cost of work-related injury or illness. Benefits help pay for an injured employee's treatment and part of any income the employee may lose while recovering. State law prescribes specific amounts and each case is handled individually. To be assured of coverage, it is important that work-incurred accidents be reported immediately and claims are filed promptly.

Employees will receive their vacation and sick leave time accrual for the actual month that the work-related injury or illness occurred. The following month(s) employees will not accrue vacation or sick leave while they are receiving industrial insurance time loss payments. While receiving workers' compensation benefits, employees may use accrued vacation leave to make up the difference between those benefits and their regular pay.

RETIREMENT PLAN

Full-time employees of the District participate in the Washington State Public Employees' Retirement System (PERS). Washington law regulates employee and employer participation.

TRAVEL EXPENSES

Travel Reimbursement: Employees directed to use their own personal vehicles for the District's business will be reimbursed for their mileage at the IRS current rate per mile. Such employees will also be reimbursed for any parking expenses, tolls or ferry expenses incurred while conducting the District's business.

Meals and Lodging: The District shall reimburse employees for reasonable and customary meal and lodging expenses incurred while on District business, with prior District approval.

All expenses to be reimbursed by the District must be evidenced by a receipt, which shall be supplied to the District within a reasonable time after such expense is incurred, but in no event later than four (4) weeks after said expense was incurred.

CERTIFICATION AND EDUCATIONAL REIMBURSEMENT

Upon successful passing of the following tests/certifications, the District will reimburse an employee for the cost of such test/certification:

- State of Washington Department of Health Services Water Treatment Operator certification;
- State of Washington Department of Health Services Water Distribution Manager certification;
- State of Washington Department of Health Services Cross Control Specialist certification;
- State of Washington Department of Health Services Backflow Assembly Tester certification;
- American Water Works Association Water Conservation Specialist certification;
- United States Department Of Labor Occupational Safety & Health Administration (OSHA) Competent Person Training;
- Washington State Traffic Control Flagger certification;
- First Aid / CPR card (American Red Cross or American Heart Association);
- Notary Public of the State of Washington; or certified; and
- Other education/certifications as approved by the Board.

The District will pay for the cost of certification renewal for the certifications listed above, less any late fees or penalties. Upon prior written approval from the General Manager, the District shall reimburse employees for the actual expenses for tuition, books and supplies incurred in conjunction with work-related courses, as determined by the District Manager, taken at an accredited institution. The reimbursement set forth in this policy shall be limited to \$1,000 per calendar year.



PAGE LEFT INTENTIONALLY BLANK

IV. EMPLOYEE COMMUNICATIONS

BULLETIN BOARDS

Bulletin boards are located to communicate materials of special interest to employees and to post announcements required by law. Employees who wish to post a notice on the board must first submit such notice to the General Manager for approval, which approval shall be at the General Manager's sole discretion. Notices will be posted for a specific time period and then removed, so the District encourages employees to read all announcements regularly.

NON-SOLICITATION

It is the District's objective to provide a comfortable work environment that allows employees to complete their tasks with the least amount of interruptions or disruptions. Accordingly, non-employees are not allowed to come upon the District's premises for the purpose of any form of solicitation or literature distribution. This policy is to restrain third parties or strangers from soliciting or handing out materials for political, union, charitable, or similar activities.

Employees are prohibited from distributing any form of literature or other materials in their work area and are also prohibited from soliciting for any cause during their assigned working time.

ELECTRONIC USAGE

The District's electronic and telephonic communication systems, and all communication and information transmitted by, received from, or stored in these systems, are the exclusive property of the District. While the District respects the individual privacy of all employees, all employees should understand and be aware that they have no right to or expectation of privacy with respect to the employee's use of District provided equipment, supplies and programs, including but not limited to computer, voice mail, email, text mail, pagers, cell phones and the Internet. All information stored on and/or transmitted by District provided equipment, supplies and may be monitored and reviewed by the District at any time, in the District's sole discretion.

The District's computer, voice mail, email, text mail, pager, cell phone and Internet systems are the exclusive property of the District and should be used for District business purposes only. Unacceptable and/or inappropriate non-work related activities, including the downloading, viewing or sending of insulting, disruptive, offensive, derogatory, profane or discriminatory messages or materials are strictly prohibited. Examples of forbidden transmissions include, but are not limited to: sexually explicit messages, cartoons or jokes; sexual propositions or love letters; ethnic or racial slurs; or any other message that can be construed to be harmful to morale,

harassment or disparagement of others based on their sex, race, age, national origin, religion, creed, sexual orientation, marital status, disability or any other class protected by law.

All system passwords and encryption keys must be available to the District. Employees are prohibited from the unauthorized use of passwords and encryption keys of other employees to gain access to other employee's email messages. Remember that creating a password or hitting the "delete" key does not always mean that messages or material cannot be retrieved. The District regularly backs up its email system.

The District licenses the use of computer software from a variety of outside sources. Unauthorized copying or use of software or documentation on any medium is strictly prohibited. Anyone aware of any misuse of District software or related documentation must notify the General Manager. Software may be installed on a computer only by the District. No software may be installed on any District computer, including screen savers, without proper authorization. The District may, from time to time, conduct system audits to ensure compliance with this policy.

Employees are expressly warned that they must respect copyright, trademark, trade secret, patent, license, policy and other proprietary rights and restrictions relating to the use, access or download of software or information. No one may download any software or information unless the following criteria have been met: (1) the information or software to be downloaded is directly related to work; (2) the District authorized the download; and (3) the District determines that the appropriate license fees have been paid.

Employees must also be careful when using electronic communication and/or software or hardware systems outside the office to maintain the confidentiality and integrity of any District information. Electronic communications should only be transmitted using equipment that has been installed with the District's spyware and security programs. Additionally, Employees should at all times be mindful of their audiences in transmitting confidential communications, and should do so only when they are certain that unauthorized individuals (such as seat mates on airplanes, family members, or other people in direct proximity to the employee) will not be privy to such communications.

Employees who violate this policy shall be subject to disciplinary action, up to and including termination.

COMPLAINTS

The District recognizes the importance and desirability of settling employee complaints promptly and fairly, in the interest of maintaining continued good relations with its employees. Employees who have a complaint or concern should raise this with the General Manager. If an employee is not comfortable

discussing a complaint with the General Manager, or if the General Manager is the subject of such complaint, the employee should notify the Board of Commissioners. The District will handle all complaints as it, in its discretion, deems appropriate.

WHISTLEBLOWER PROTECTION

Improper governmental actions within the District's operations should be reported immediately. The District will protect those who report such improper actions in good faith and in accordance with the District's policies and procedures, against retaliatory actions. An "improper action" includes any act, by any District official or employee, that is a violation of any law or rule, abuse of authority, of danger to the public health or safety, or a gross waste of public funds. An "improper action" does not include personnel actions taken by the District's management.

Reports must be made in writing to the General Manager. If the General Manager is the subject of the report, the report should be made to any member of the Board of Commissioners. In addition, employees may report improper governmental action to the:

Pacific County Prosecuting Attorney
Pacific County Courthouse 800 Memorial Drive
P.O. Box 45
South Bend, WA 98586
(360)875-9361

Pacific County Commissioners
Pacific County Courthouse Annex
1216 W. Robert Bush Dr.
P.O. Box 187
South Bend, WA 98586

Except in the case of an immediate threat to persons or property, employees must submit a written report of improper governmental action to the General Manager before providing information of such action to a person who is not a public official or a person listed in this section. Employees who fail to make a good faith attempt to follow this policy and procedure in reporting improper governmental action shall not be eligible for the protections against retaliation as outlined under the whistleblower laws. The District will promptly investigate all reports made pursuant to this policy. The District will keep an employee's identity confidential to the extent possible under the law, unless the employee authorizes disclosure in writing. An employee may be advised of the results of the investigation. However, any personnel actions taken as a result of the investigation may be kept confidential.

An employee who believes that he/she has been the subject of retaliatory action for reporting an improper governmental action should:

- Provide the Board of Commissioners with a written notice of the charge of retaliatory action within thirty (30) days after the occurrence of the alleged retaliatory action specifying the alleged retaliatory action and the relief requested. The District shall response to the charge and request for relief within thirty (30) days.
- If the employee is not satisfied with the District's response, he/she may request a hearing to establish that a retaliatory action occurred and to obtain relief. The employee must make such request within 15 days of the delivery of response, or within 15 days of the last days on which the District could respond.
- Within five (5) days of the employee's request for a hearing, the District shall apply to the State Office of Administrative Hearings for an adjudicative proceeding before an administrative law judge. The administrative law judge shall issue a final decision within 45 days of the employee's request for a hearing unless such time period is extended by the administrative law judge.

If the decision is in the employee's favor the employee may be granted relief as follows:

- Reinstatement with or without back pay;
- Injunctive relief to return the employee to the position he/she held before and to prevent recurrence of retaliation;
- Cost and reasonable attorney's fees; and/or
- The imposition of a civil penalty personally upon the retaliator(s) of up to \$3,000.00 payable by each person who has retaliated against the employee. The administrative law judge may also recommend to the District that the offending person(s) be suspended without pay or dismissed. All penalties recovered shall be paid to the local government administrative hearing account created pursuant to RCW 42.41.060.

V. EMPLOYEE SAFETY AND HEALTH

EMPLOYEE SAFETY

The District makes every effort to provide safe working conditions for its employees. No one will knowingly be required to work in any unsafe manner. Safety is every employee's responsibility. Employees are required to report promptly any unsafe equipment or conditions they encounter in their job, and are requested to do everything reasonable and necessary to keep the District a safe place to work.

The District will strive to provide an accident-free environment and will continuously improve working conditions to meet its goal of zero accidents. The District complies with all government regulatory standards in health and safety. It is our expectation that all employees, visitors, customers and contractors will follow the established safety guidelines set forth by the District. All employees are expected to:

- Make safety a priority in all situations;
- Understand and follow all safe work practices;
- Report and correct unsafe working conditions;
- Report all injuries and near misses to a supervisor immediately, no matter how slight;
- Observe the work of co-workers, and attempt to correct unsafe behavior through positive reinforcement and example.

Every employee is expected to abide by all safety procedures and rules applicable to their particular work operations. Each employee is accountable for his/her own safety and shares responsibility for the safety of other employees. When any employee fails to comply, the District will enforce all safety procedures and rules through appropriate action, which may include disciplinary procedures, up to and including termination of employment.

ACCIDENTS

An accident involving property damage or personal injury, however minor, must be immediately reported to the Division head by filling out an accident report form provided by the District. The Office Manager shall be promptly notified of all claims in order to make a timely report to the Department of Labor and Industries. Failure to report accidents may result in a violation of legal requirements, and may lead to difficulties in processing insurance and benefit claims. Therefore, failure to report an accident may result in disciplinary action.

If an employee is injured on the job, he or she may be entitled to benefits under the state Workers' Compensation Law. Contact the Office Manager with questions about available benefits under the Workers' Compensation Law.

The District may require drug and alcohol tests of employees involved in accidents which are the cause of property damage or injury or which require offsite medical treatment.

ACCOMMODATION

The District will make reasonable accommodations for the known physical or mental disabilities of an employee, unless an undue hardship for the District would result. If an employee believes that he/she has a disability that needs accommodation to enable the employee to perform the essential functions of his/her job, the employee should notify the General Manager of such and request an accommodation. The District may request medical certification from the employee's health care provider in connection with the accommodation request. The District will determine what, if any, reasonable accommodation may be appropriate. The District may take other action regarding employee accommodation, as appropriate, in accordance with state, federal or local laws.

MEDICAL/PHYSICAL EXAMINATIONS

Employment for certain safety-sensitive positions, as designated by the District, will be conditioned upon the prospective employee taking a post-offer, pre-employment medical examination.

Where the District has reason to believe that an employee's ability to perform an essential job function may be impaired by a medical condition, or that the employee suffers from a medical condition that could pose a direct threat to the employee or others in the workplace, the District may require the employee to submit to a fitness-for-duty examination, at the District's expense.

The District may also require an employee who has been absent from work due to a medical condition or injury to provide the District with a certification from the employee's medical treatment provider, confirming that the employee is fit to return to duty.

NON-TOBACCO USE POLICY

The District has a non-tobacco policy for all of its facilities, District vehicles and customers' premises. Additionally, it is the policy of the District to hire non-tobacco users to the extent possible.

Smoking, if done outdoors, must be far enough away from all entrances and air intakes to the building facilities and vehicles so the smoke stays outside of the buildings and vehicles and complies with Washington law prohibiting smoking within 25 feet of such entrances and air takes.

VI. EMPLOYEE CONDUCT AND STANDARDS

EMPLOYEE CONDUCT

Employees are expected to meet acceptable standards of conduct in job performance. Satisfaction of these standards not only promotes productivity and efficiency, but also helps to ensure that all employees will enjoy a pleasant and cooperative work environment. The District views a professional level of conduct to be an important responsibility of every employee. Consequently, failure to abide by acceptable standards of conduct or to meet acceptable levels of performance may result in disciplinary action, up to and including termination.

In order to assure orderly operations and provide the best possible work environment, the District expects employees to follow rules of conduct that will protect the interests and safety of personnel. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are some examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment. *This is not an all-inclusive list.*

- Falsification of employment records, employment information or other records
- Misappropriation, theft or deliberate or careless damage of any District, coworker or customer funds and/or property
- Any act of dishonesty while on duty
- Sleeping on duty
- Violation of the District's Drug and Alcohol Policy
- Violation of the District's Anti-Harassment/Non-Discrimination policies and/or standards
- Insubordination
- Assault, engaging in threatening or intimidating behavior, making threats or engaging in altercations while on District property or time
- Possession of a dangerous weapon while on District property
- Destruction of District, coworker or customer property
- Unauthorized use of District time, equipment, resources, vehicles or facilities
- Falsification of time cards/records
- Sick leave abuse
- Unexcused absence of two (2) or more consecutive days, which shall be considered job abandonment

- Conviction of a felony or of any crime involving dishonesty or moral turpitude
- Violation of the District's safety rules and regulations

This list is a partial list only and is not intended to be all-encompassing or comprehensive. Disciplinary decisions will be based on the District's assessment of all relevant factors, and it retains the sole discretion to apply the corrective action (including advanced stages of discipline up to and including termination) that it deems appropriate under the particular circumstances. ***Nothing herein should be construed as altering or modifying the "at-will" employment relationship***

ATTENDANCE

It is important that each employee report for work each day and be ready for work at his/her regular time. Each employee is part of an organization and any absence could affect the work of many fellow workers. If for any reason an employee is unable to report for work, that employee is responsible for notifying the front office at least one (1) hour prior to the employee's regularly-scheduled work shift. If the employee is unable to contact the front office, the employee should leave a message and make any other reasonable attempts to notify the District, such as contacting his/her Division Head and/or General Manager.

In order for the District to operate its business effectively, it asks that each employee notify his/her Division Head of the employee's status when he/she is off work because of illness, accident or any other reason. It is each employee's responsibility to keep his/her supervisor informed of his/her status daily. If an employee fails to notify the District after two (2) consecutive days' absence, the District will presume that that employee has resigned and the employee will be removed from the payroll. Employees who must leave work for any reason before the end of the day must notify their supervisor before leaving.

UNUSUAL CONDITIONS

If District management declares the office officially closed due to unusual conditions, all employees who were scheduled to work will be paid for all days that the office is officially closed. Employees who are required to report to work on such days will be paid at one-and-a-half (1½) times their normal hourly rate for all hours actually worked during such closure. The employees required to work on "officially closed" days will be selected by the District's management at the management's sole discretion.

ATTENDANCE DURING HAZARDOUS WEATHER CONDITIONS

All employees should be prepared with suitable transportation to attend work during hazardous weather conditions. During bad weather, employee service is

required due to potential utility service interruptions. It is the District's expectation that each employee will be able to timely report to work in inclement weather. However, if an employee is tardy due to what the District has determined, in its sole discretion, to be severe inclement weather, or due to conditions caused by such weather, the employee shall be allowed up to one (1) hour to report to work at the beginning of the work day, without a loss or deduction of pay or benefits. For non-exempt employees, tardiness in excess of 1 hour will be charged against the employee's accrued but unused vacation leave. To the extent that a non-exempt employee does not have any accrued but unused vacation leave, tardiness in excess of 1 hour shall be treated as leave without pay.

If an employee is unable to report to work due to severe inclement weather, the employee should contact his/her supervisor no later than one (1) hour from the employee's regularly-scheduled start time if possible. Such absence will be charged against the employee's accrued but unused vacation leave. If the employee does not have any accrued but unused personal leave, the absence shall be treated as leave without pay.

If an employee reports to work and is dismissed due to dangerous weather conditions and/or office closure, or if the General Manager, in his or her sole discretion, authorizes an employee to stay home due to dangerous weather conditions and/or office closure, the employee will be paid for his/her regular work day.

The General Manager in his or her sole discretion may also require some employees to work overtime, work different shifts or perform such job duties outside the scope of the employee's normal job duties, until such time as the emergency situation has been resolved.

DRUGS AND ALCOHOL

The District is committed to protecting the safety, health and well-being of its employees and all people who come into contact with the District and the services it provides. Drug and alcohol abuse poses a direct and significant threat to this goal, and to the goal of providing a productive and efficient work environment in which all employees have an opportunity to reach their full potential. Accordingly, the District is committed to providing a work place free from alcohol and illicit drugs.

The District therefore strictly prohibits the illicit use, purchase, possession, sale, conveyance, distribution or manufacture of illegal (whether under federal and/or state law) drugs, intoxicants, controlled substances and/or drug paraphernalia associated with illegal drug use while on the job, while on District property, while operating District vehicles or equipment or while otherwise representing the District. The District further prohibits employees from being under the influence of alcohol (defined as having an alcohol concentration level of 0.02 or greater) or controlled substances (any

detectable trace in the body system) while on duty. This policy applied to all District employees.

Prescription medications or nonprescription medications are not prohibited when taken in accordance with a lawful prescription or consistent with standard dosage recommendations. Prescription medication means a drug or medication lawfully prescribed under both federal and state law by a physician or other health care provider licensed to prescribe medication for an individual and taken in accordance with the prescription; but specifically excludes, without limitation, medical marijuana, which remains a controlled substance prohibited by federal law. Employees who are taking a prescription or over-the-counter medication that may impair their ability to perform their duties safely and effectively (including their ability to operate a motor vehicle or equipment) must notify their supervisor and should provide written notice from their health care provider with respect to the effects of such medication.

Employees may be subject to a drug and alcohol urinalysis test when there is reasonable cause to believe that drug use or alcohol abuse exists. If an employee appears to be under any influence of drugs or alcohol, the District may require the employee to submit to appropriate tests, including urinalysis or breath tests, to confirm the existence of such alcohol or prohibited drug substance in his or her system. Failure to promptly permit such tests upon management's request shall be grounds for immediate termination. A supervisor will arrange for the employee to be safely transported to and from the testing facility

Employees shall be subject to pre-employment, reasonable suspicion, post-accident, random, return to duty, and follow-up drug testing, as follows.

Pre-employment testing. The District may require pre-employment testing for positions requiring a Commercial Driver's License and certain other safety-sensitive positions, in its discretion.

Post-accident testing. Following an accident involving a District employee, vehicle or equipment, the employee involved in the accident shall be required to submit to a post-accident drug and alcohol test if any of the following factors are present: (i) a fatality occurs as a result of the accident; (ii) the accident causes bodily injury to any person who, as a result of the accident, immediately receives medical treatment at or away from the scene of the accident; (iii) the employee receives a citation under state or local law arising from the accident; (iv) the accident causes damage to one or more vehicles which requires removal of the vehicle by towing or is otherwise estimated to exceed \$3,000.00; or (v) the General Manager, at the General Manager's discretion, determines that it is appropriate under the particular circumstances.

Testing shall occur as soon as possible, and must occur within eight (8) hours after the accident for alcohol testing and 32 hours after the accident for

drug testing. An employee required to take a post-accident alcohol test may not use alcohol for eight (8) hours following the accident, or until a post-accident test is given, whichever comes first. An employee who is subject to post-accident testing must remain readily available for such testing and may not take any action to interfere with testing or results of testing. Drivers who do not comply with post-accident testing requirements will be considered to have refused to submit to testing.

Random testing. Employees who are required to hold a commercial driver's license (CDL) shall be subject to random, unannounced alcohol and drug testing in accordance with applicable regulations.

Return to duty testing. Employees who have violated this policy, including those who have tested positive on a drug or alcohol test, and who under the District's disciplinary policy are allowed to return to work, must test negative prior to being released for duty.

Follow-up testing. An employee who is referred for assistance that is related to alcohol misuse and/or use of drugs is subject to unannounced follow-up testing for a period not to exceed 60 months as directed by a substance abuse professional and the District. The number and frequency of follow-up testing will be determined by the substance abuse professional and the District, but will not be less than six tests in the first 12 months following the employee's return to duty.

Employees who test positive for drugs may request a second test of the remaining portion of the split sample within 72 hours of notification of a positive test result by the medical review officer responsible for receiving and interpreting the drug test.

Employees violating this policy will be subject to disciplinary action, up to and including termination. A refusal to take a drug or alcohol test as required by the District, an undue delay in reporting for testing as instructed by the District, and/or utilizing any means designed to "cheat" the test, adulterate/dilute the sample or otherwise render a false negative report shall be deemed the equivalent of a positive test result and an employee engaging or assisting in such measures shall be subject to disciplinary action, up to and including termination.

Employees who are found to have violated this policy but who are allowed to return to work under the District's disciplinary process shall be required to first submit to an evaluation by a qualified substance abuse professional acceptable to the District and shall receive a one-time opportunity to enter a treatment program, if so recommended by the substance abuse professional. Upon return to work, the employee will be required to accept and comply with the terms of a "last chance agreement" and will be subject to the follow-up testing requirements set forth above.

A confidential Employee Assistance Program ("EAP") is available to all employees to assist them in addressing drug and alcohol addiction or related

concerns, and the District is committed to providing assistance in this regard. The District considers drug addiction and alcoholism to be treatable diseases. Employees are encouraged to seek treatment voluntarily and to utilize the EAP before an alcohol or drug abuse problem affects their job performance or employment status. All alcohol or drug inpatient or outpatient treatment programs paid through the District's health care plan should be accessed through the EAP. The District will accommodate employees who voluntarily seek treatment for a drug or alcohol addiction *before* they are the subject of an investigation and/or disciplinary action for a potential violation of this or of any other policy or other performance issue. Assistance will be provided on a confidential basis. Employees are encouraged to "self-report," and their job status with the District will not be jeopardized as a result of such report; provided, that the report is made prior to the District initiating an investigation and/or disciplinary action into suspected policy violations or related performance issues.

The passage of Initiative 502, which amends Washington state law effective December 6, 2012, to decriminalize the possession and private use of a limited amount of marijuana by adults over the age of 21, shall have no effect or impact upon this policy. Pursuant to the Controlled Substances Act of 1970, 21 U.S.C. § 801 et seq., "marijuana" remains a "Schedule I" controlled substance, and its possession and/or use is illegal under federal law. Employees should recognize and understand that the "legalization" of marijuana under state law (for both medical and recreational purposes) will not excuse or otherwise constitute a "defense" to a positive drug test administered by the District in accordance with this policy. Any positive test for marijuana shall constitute a violation of this policy and shall be grounds for disciplinary action, up to and including termination. In particular, those employees holding a Commercial Driver's License (CDL) or otherwise occupying a safety-sensitive position with the District will continue to be subject to the USDOT Drug and Alcohol Policy, which strictly prohibits the use of marijuana.

EMPLOYEES WITH COMMERCIAL DRIVER'S LICENSES

In addition to the policy set forth above, those employees who are required to have and maintain a CDL in order to perform their duties are further subject to the drug and alcohol testing requirements and regulations established by the United States Department of Transportation (USDOT) and its designated agencies.

If an employee is hired or transferred into a position which requires a CDL and that person during the previous three years worked for any other employer as a driver of a commercial vehicle, that person must execute a form to be provided by the District which authorizes that person's former employer(s) within the past three years to release the following information regarding that person's: (1) positive alcohol or drug tests; (2) refusal to be tested; (3) other violations of DOT agency drug and alcohol testing regulations;

and/or (4) if the person violated any DOT drug and alcohol regulation, documentation of the person's successful completion of DOT return-to-duty requirements (including follow-up tests). This information is a condition to employment with the District. However, if the information has not arrived by the anticipated start date, and if the person has passed the pre-employment drug test, the person may be hired, in which case the requested information must be obtained from the previous employer(s) within 30 calendar days of the date of hire. If the information has not been received within 30 calendar days, the person shall not be permitted to drive commercial vehicles until the information has arrived and may be subject to ultimate termination.

CONFLICTS OF INTEREST

Conflicts of interest are prohibited. Employees are prohibited from:

- Asking or receiving, directly or indirectly, any compensation, gratuity, reward, gift or promise thereof, for any matter connected with or related to his or her services as an employee;
- Employing or using any person, money or property under his/her official control or direction for private benefit or gain or for the private benefit or gain of others;
- Knowingly making any false or misleading statements in any official report;
- Disclosing confidential information gained by reason of his/her official capacity for personal gain or benefit.

EMPLOYMENT OF RELATIVES

To avoid the reality or appearance of improper influence, favor or conflict of interest, the District limits the hiring of individuals related by blood or marriage, or sharing living quarters with or having a romantic relationship with, a regular employee of the District.

Such a person will not be hired as a regular District employee under any of the following circumstances:

- Where one of the parties would have authority (or practical power) to supervise, appoint, remove or discipline the other.
- Where one party would be responsible for auditing the work of the other, or performing any payroll or benefits determination for the other.
- Where other circumstances might lead to potential conflict among the parties or conflict between the interest of one or both parties and the best interests of the District.

Existing employees will not be transferred or appointed to any position where the employee would enter a workplace relationship barred for new employees under this policy. However, the General Manager may approve such appointment

or transfer when it is deemed by the General Manager to be in the best interest of the District and not likely to result in an actual conflict of interest.

When a real or potential conflict of interest occurs between employees due to nepotism or fraternization, the District, in the District's sole discretion, may transfer or terminate one of the employees.

VIOLENCE IN THE WORKPLACE

The District is committed to serving a wide range of rate payers. In providing services to the District's many rate payers, District employees may on occasion be placed in situations in which they are confronted with hostile, violent or threatening behavior. The District values its employees and rate payers and, with this policy, affirms its commitment to providing a workplace and facility that is free from violence.

The District may, on occasion and in its discretion, provide crime prevention information to employees and address security issues involving the workplace and District facilities.

Employees in many departments deal with rate payers and other members of the public who are distressed and who may make threats or commit acts of violence. It is also possible that a violent act or threat may be made by an employee's family member or acquaintance towards a District employee. It is also possible that a threat or act of violence may be made by an employee of the District.

Importantly, the District will not tolerate violent acts or threats of any kind, whether by rate payers, family members, other members of the public, or District employees. Any employee who is the recipient of or a witness to any act or threat of violence, must notify the General Manager, regardless of the perceived "seriousness" of the act or threat. The reporting of an act or threat of violence is not discretionary; employees failing to report a known incident of violence and thereby violating this policy shall be subject to discipline, up to and including termination.

Upon receiving a report of a violent act or threat that affects the workplace or a District employee, the District shall investigate the incident and undertake all measures it deems appropriate to respond to the incident and to protect potentially affected employees. Some situations may require the intervention of local law enforcement agencies. In other situations, the District may deem it appropriate to provide support and guidance to employees so that threats or acts of violence can be recognized and prudently addressed. The District shall promptly respond to all reported incidents of violence by undertaking those measures that it deems appropriate, in the District's sole discretion.

Employees should learn to recognize and respond to behaviors by potential perpetrators that may indicate a risk of violence. Employees shall also place

safety as the highest concern. The District, in its discretion, may from time to time train its employees on workplace safety issues, in an effort to reduce workplace violence.

PROHIBITION OF POSSESSING CONCEALED WEAPONS ON DISTRICT PREMISES

Employees are strictly prohibited from possessing, in any manner (whether on their person or in their vehicle parked on District property), any weapon or firearm, regardless of whether the employee has a valid concealed weapon permit. Employees inadvertently bringing weapons onto District property shall be required to immediately remove such weapon from District property. Any violation of this policy should be immediately reported to the General Manager and shall be grounds for disciplinary action, up to and including termination.

DRESS AND PERSONAL APPEARANCE

Employees are expected to maintain an appropriate appearance that is businesslike, neat and clean, as determined by the job requirements of each individual employment position. Dress and appearance should not be offensive to customers or other employees.

The District provides uniform shirts to all field employees. While working in the field, employees are expected to wear a shirt or jacket (whichever they are wearing as an outer layer of clothing) bearing the District's insignia. Employees are responsible for cleaning and maintaining such uniforms. The District shall replace such uniform shirts from time to time, in its discretion and on an as-needed basis; provided that an employee must return any used uniform item before receiving a replacement.

Field employees are given a yearly allowance, as determined by the District from time to time in its discretion, to purchase pants and steel-toe boots. Employees must submit itemized receipts to the Office Manager in order to receive said allowance.

The District provides safety apparel and accessories, including: high visibility safety work coats with the District's name/insignia; high visibility safety vests; high visibility safety raingear with the District's name/insignia.

These items will be replaced by the District on an as-needed basis; provided, that an employee may bear the cost of such replacement if the employee engages in a pattern of negligent conduct that necessitates replacement of such gear before the end of its useful life.

Employees shall wear safety gear as furnished by the District in accordance with WISHA rules and regulations.

Employees who violate this policy may be sent home to change or to otherwise correct the policy violation.

PERSONAL TELEPHONE CALLS

Personal calls while at work should be limited. Personal long distance phone calls must be charged to the home phone number of the employee making the call, or must be reimbursed to the District at the time of billing.

If the District, in its discretion, provides an employee or employees with a cellular phone, these cellular phones are to be generally used for District business only. Incidental and occasional personal use of District-issued cell phones is permitted; provided, that such phone calls are reasonably limited in number and duration; and provided further that if an employee makes any personal cellular phone calls which exceed the District's data plan, the employee shall reimburse the District the charges for such overages. Employees who are issued a cellular phone by the District shall execute an agreement authorizing the District, upon that employee's termination, to deduct all personal cellular phone overages from that employee's final paycheck.

USE OF DISTRICT PROPERTY

All District property, equipment and services shall be used exclusively for District purposes. Employees shall not use the premises, vehicles, equipment or tools of the District for personal purposes at any time. Any violation of this policy must be reported immediately to General Manager. A found violation of this policy shall result in disciplinary action, up to and including termination.

VEHICLE USAGE

The District provides vehicles for certain business use, to allow employees to drive on District business and to reimburse employees for business use of personal vehicles according to the guidelines below.

Employees operating a District vehicle or their own vehicle for District business must at all times hold a valid Washington State Driver's License. The District reserves the right to periodically verify that an employee holds a valid driver's license and to request from the employee and/or appropriate governing agency a copy of the employee's current driving abstract (Motor Vehicle Report). Employees who drive on District business are required to promptly inform their supervisor of any changes that may affect either their legal ability to drive or their continued insurability.

Employees operating their own vehicle for District business must carry automobile liability insurance for bodily injury and property damage per Washington State minimum requirements, as currently set forth in Chapters 46.29 and 46.30 RCW, as may be amended from time to time. Employees should consult with their personal insurance agent to determine whether a special endorsement for Business Use is appropriate or necessary in connection with their use of their personal vehicle for District business. Employees must

provide the District with proof of such insurance upon initial employment and/or assumption of driving duties and periodically thereafter, as requested by the District.

Employees may not drive any vehicles for District business without prior approval of their supervisor.

The General Manager or designated Division Head, in his/her discretion, may designate employees who may take a District vehicle home between work shifts for the purposes of on-call duty, emergency call-backs, and/or for attending approved or required meetings and classes. Normal commute time in a District vehicle to and from the District's offices/job site and an employee's home is not compensable; however, travel time during a call-out while on on-call duty is compensable time. District vehicles may not be used for personal business, other than for than normal commuting purposes.

Employees who drive a vehicle on District business must exercise due diligence, drive safely and maintain the security of the vehicle and its contents. As required by Washington State law, seat belts must be worn at all times while driving or riding in a District vehicle or on District business. Employees are strictly prohibited from using cellular phones while operating a motor vehicle (this includes talking, texting, emailing or surfing the internet). Employees should safely pull over prior to using a cell phone for any purpose. Employees are also responsible for any driving infractions or fines as a result of their driving.

Non-employee, non-business passengers are prohibited from riding in District vehicles or in the employee's personal vehicle while on District business without prior approval.

Employees must not drive, and must promptly notify their immediate supervisor and/or request an accommodation, when any physical or mental impairment causes the employee to be unable to drive safely. This prohibition includes, but is not limited to, circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of injury, illness, or medication. In the case of medication, an employee should consult with the employee's medical treatment provider or pharmacist to determine whether the medication may impact or impair the employee's ability to safely operate a vehicle and must promptly notify their immediate supervisor if the medication impairs the employee's ability to safely drive.

Employees who use their personal vehicle for approved business purposes will receive a mileage allowance equal to the Internal Revenue Service optional mileage allowance for such usage. This allowance is to compensate for the cost of gasoline, oil, depreciation and insurance (including any deductible obligations).

Employees must report any accident, theft or malicious damage involving a District vehicle, or the employee's personal vehicle if such accident, theft or damage occurs while the employee is using the vehicle for District business

Page 43 of 49

purposes, to their supervisor, regardless of the extent of damage or lack of injuries. Such reports must be made as soon as possible but no later than forty-eight hours after the incident. Employees are expected to cooperate fully with authorities in the event of an accident.

Employees shall not operate any District vehicle at any time or operate any personal vehicle while on District business while using, consuming or under the influence of alcohol or illegal drugs. The District has a zero tolerance policy prohibiting operators of vehicles from drinking alcohol or consuming illegal drugs, or being under the influence of alcohol or drugs, while on District time or conducting business. (Refer to the District's drug and alcohol policy).

WORKPLACE SEARCHES

For the safety of the employees and/or the welfare of the District, the District may, in its discretion, search and inspect both District property and personal items brought onto District property, which includes owned or leased facilities, surrounding grounds and parking areas. Refusal to cooperate in a search, inspection or investigation will result in a disciplinary action, up to and including termination.

All District property is eligible for search and shall include but is not limited to: individual lockers, desks, filing cabinets and computers. Personal property brought onto District property is subject to search and shall include but is not limited to: pockets, purses/wallets, briefcases, cars/trucks, lunch boxes, toolboxes, shopping bags/boxes and coats. Employees have no reasonable expectation of privacy as to the District's premises and/or any property brought thereupon.

The General Manager will immediately report to the appropriate authorities any illegal items that are found.

VII. LAST CHANCE AGREEMENT

I, Click here to enter Employees Name., understand that the continuation of my employment with NORTH BEACH WATER DISTRICT ("District") is based upon and constrained by the following terms:

I will be evaluated for chemical dependency by a Substance Abuse professional approved by the District.

I will comply with all of the Substance Abuse Treatment professional's treatment and follow-up recommendations including all inpatient, outpatient and/or recovery treatments and/or requirements (collectively, the "Program") to their successful conclusion,

I authorize the District to monitor my attendance and participation in the Program and will execute any and all authorization(s) and/or release(s) that may be required by my treatment provider as a condition to disclosing information related to my participation and progress in the Program.

I understand that my job performance will be closely supervised for an extended period of time upon my return to work and I will accept such supervision as a constructive part of my recovery.

I understand that upon return to the workplace I must meet all established standards of conduct and job performance and that I will be subject to immediate termination for any failure to meet the standards.

For a period of two (2) years after the date hereof, I will be subject to random alcohol/drug tests that may be required by the District on a periodic basis at the District's sole discretion. The District shall pay the cost of such tests, as well as all time spent by me in submitting to such examinations. I agree that I shall cooperate fully with any and all District requests that I submit to a random drug test. I further acknowledge and understand that if I fail to cooperate fully or to submit to such drug test when requested, or if my alcohol/drug test indicates a positive reading, such testing failure will be cause for immediate termination. In the event of such termination, I further agree that I will not contest such termination by way of a grievance, law suit, or unfair labor practice charge against the District.

I understand that I will be subject to the terms of these conditions of employment until I have completed at least twenty-four months of work. Upon completion of twenty-four (24) months of work the appropriate management personnel will review my job performance and recovery progress and determine if the terms of these conditions of employment will be removed, modified, sustained or added to.

I UNDERSTAND AND AGREE THAT MY REINSTATEMENT AND CONTINUED EMPLOYMENT ARE CONTINGENT UPON MY MEETING SATISFACTORILY ALL THE ABOVE TERMS OF THESE CONDITIONS OF EMPLOYMENT AND THAT MY FAILURE TO DO SO RELINQUISHES ALL DEFENSE ON MY PART AND SUBJECTS ME TO IMMEDIATE TERMINATION OF MY EMPLOYMENT WITH THE DISTRICT.

Signature: _____ Date: _____

Employee Printed Name: _____



PAGE LEFT INTENTIONALLY BLANK

VIII. MANUAL RECEIPT AND ACKNOWLEDGMENT

The policies of the District, as outlined in this Manual, explain some of the benefits you receive as a District employee and some of the duties and responsibilities we all share. However, the policies are not to be considered an employment contract and do not give rise to contractual rights or obligations. The District may modify, revoke, terminate or suspend any or all of these policies and procedures, in whole or in part, at any time, with or without notice. If you are uncertain about any policy or procedure, check with your supervisor or the General Manager.

Acknowledgement

I, _____, have received a copy of the North Beach District Employee Manual. I understand that the personnel policies contained in this Manual are intended to be general guidelines only and do not constitute an express or implied employment agreement. I further understand that the Manual does not create an employment contract between the District and me. I also agree that my employment with the District is at-will, and that either the District or I may terminate the employment relationship at any time with or without cause or notice. I understand that this Manual supersedes any prior summaries or statements of employment policies and procedures, and that no manager, supervisor or other employee of the District is authorized to make any representation to the contrary, unless it is expressed in a written employment contract authorized by the Board of Commissioners.

I further understand that the policies and procedures contained herein may be amended, deleted or revised by the District, in its sole discretion, at any time.

I also understand that I have no right to or expectation of privacy with respect to my use of District provided equipment, supplies and programs, including but not limited to computer, voice mail, email, text mail, pagers, cell phones and the Internet. I understand that all information contained on District provided equipment, supplies and programs remain at all times the exclusive property of the District, and that the District may monitor and review my electronic usage and any information transmitted by and/or stored on District provided equipment at any time, in the District's sole discretion.

I have read the Employee Manual and understand my obligation to comply with the rules and procedures set forth therein.

DATED this _____ day of _____, 20_____.

District Employee: _____



PAGE LEFT INTENTIONALLY BLANK

IX. PAYCHECK DEDUCTION AUTHORIZATION

I, the undersigned employee, hereby authorize my employer, North Beach Water District, to deduct from my final paycheck, as necessary, any and all debts, charges and expenses that I may owe to the District as of the date of my employment termination, including, but not limited to, cash or benefit advances provided to me by the District, reimbursement for any unreturned District property, all charges incurred by the District as a result of my personal long distance telephone calls or personal cellular phone calls and any other monies that I may owe the District, for whatever reason. I agree and acknowledge that the debt owed by me represents a benefit conferred upon me by the District. I understand that the District will provide me with an accounting of all deductions made to my final paycheck with my final paycheck and I expressly authorize all such deductions made by the District.

Dated: _____

Signed: _____

Name of Employee: _____

