



Employee Policies and Procedures Manual

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I. Introduction

Welcome to Skyway Water and Sewer District!

The Board of Commissioners and your colleagues welcome you to Skyway Water and Sewer District. Here at Skyway, we believe that each employee contributes directly to the District's growth and success. We hope you will take pride in both your work and in being a member of our team.

This employee handbook establishes policies for the fair and equitable treatment of our most important assets – our employees. It outlines the programs, and benefits available to eligible employees. It establishes personnel policies and procedures. It also clarifies expectations for performance and behavior which serve to show a pathway to a successful career with the District.

Please familiarize yourself with the contents as soon as possible, you will find it will answer many questions about your employment with Skyway. Keep it handy for future reference. If, after reading it, you have questions or comments, you are welcome to discuss them with your supervisor or the General Manager.

About Our Policies

As we are sure you understand, Skyway Water and Sewer District must be able to respond flexibly to changing circumstances as they arise. It is not possible to anticipate all of the issues that may arise in the day-to-day operation of a successful organization, and prescribe in detail how they will be addressed in an employee manual. Because of this, the District's policies are guidelines for management, not promises of specific treatment in specific situations. Its policies and practices, including the compensation and benefits it provides, are subject to changes and exceptions without prior notice, at its discretion. All decisions regarding the application or interpretation of its policies and practices are also in its discretion. This applies to all of its policies and practices, whether formal or informal, and whether or not contained in this handbook. The District's General Manager, with the written concurrence of the Board of Commissioners, may modify policies, compensation, or benefits as necessary to achieve the mission and goals of the organization.

This handbook supersedes all previous policies, agreements and representations, oral or written, on the subjects covered.

II. Mission and Guiding Principles

Mission Statement

The mission of Skyway Water and Sewer District is to: provide its customers with quality water and sewer service and fiscally and environmentally sound management of their public owned water and sewer system and resources.

Guiding Principles

In partnership with customers, public agencies and private business, Skyway seeks to develop and manage water and sewer facilities and services. The following principles are basic to accomplishing this mission:

- Be a responsible steward of the public resources and operate in a manner which maintains a high level of public understanding and confidence.

- Be a primarily self-supporting public entity, maintaining the financial strength necessary to fulfill our mission on a continuing basis.
- Establish and maintain sound and ethical management practices in all relations with customers, employees and the community at large.
- Concentrate on developments for which Skyway is uniquely qualified: primarily water and sewer service delivery.
- Economically or socially justify all new capital projects.
- Provide services and facilities that meet public need and are sustainable.
- Recruit, attract and retain an outstanding workforce to meet Skyway Water and Sewer District's mission in an efficient and cost-effective manner.
- Promote employee productivity and high performance; address performance issues in a timely manner.
- Provide for uniformity and fairness, without discrimination, in the treatment of all employees
- Foster employee satisfaction, professional growth and development.

III. Employment Status and Policies

Employment At Will

We hope you will have a productive and rewarding employment relationship with us. Nonetheless, employment terminations may occur, and you should understand that your employment with us is at will. This means that just as you are free to resign at any time, we reserve the right to discharge you at any time, with or without cause or advance notice, and without compensation except for time actually worked. You should understand that at-will employment is not a policy that is particular to our organization. It is the law in the State of Washington as well as most other states across the country

Nothing in this handbook or that is said or written any place else should be construed as a promise of permanent employment, of employment for any particular length of time, of discharge only for cause, or of a right to any particular corrective action or discharge procedures.

Equal Opportunity

Skyway Water and Sewer District is an equal opportunity employer. The District does not discriminate in employment decisions or policies in violation of law based on any legally protected status, including race, color, national origin, religion, sex, sexual orientation, age, marital status, veteran status, disability, creed or any other legally protected status. This policy applies to all terms and conditions of employment, including but not limited to hiring, placement, promotion, termination, reduction in force, transfer, leaves of absence, compensation and training. We comply with all applicable federal, state and local laws that prohibit discrimination in employment.

Employees with Disabilities

We fully comply with our duty to provide reasonable accommodations to allow people with disabilities to apply for and perform their jobs. If you have a disability that affects your job performance you must let the General Manager know, preferably in writing, as soon as possible. The General Manager will then discuss with you the reasonable accommodations we may be able to provide to enable you to perform the essential functions of your job. If you become unable to perform one or more the essential functions of your job, even with a reasonable accommodation, the General Manager will assist you in identifying and applying for other jobs at the District that may become available and for which you may be qualified. In the event that no such jobs exist at Skyway, your employment may be terminated.

Harassment, Including Sexual Harassment

It is our intent to provide a work environment free from all verbal, physical and visual forms of unlawful harassment. All employees are expected to be sensitive to, and respectful of, their co-workers and others with whom they come into contact while representing Skyway Water and Sewer District. We prohibit all forms of unlawful harassment, whether due to sex, sexual orientation, race, color, religion, national origin, age, disability, political ideology or any other reason prohibited by law.

Examples of the conduct we prohibit include:

- Epithets, slurs, negative stereotyping or threatening, intimidating or hostile acts that relate to sex, sexual orientation, race, color, religion, national origin, age, disability or political ideology.
- Written or graphic material displayed or circulated in our workplace that denigrates or shows hostility or aversion toward an individual or group because of sex, sexual orientation, race, color, religion, national origin, age, disability or political ideology.
- Vulgar or sexual comments, jokes, stories and innuendo.
- Gossip or questions about someone's sexual conduct or orientation.
- Vulgarity, leering, inappropriate touching and obscene or suggestive gestures.
- Display in the workplace of sexually suggestive photographs, cartoons, graffiti and the like.
- Unwelcome and repeated flirtations, requests for dates and the like.
- Solicitation or coercion of sexual activity, dates or the like by the implied or express promise of rewards or preferential treatment or the implied or express threat of punishment.
- Intimidating, hostile, derogatory, contemptuous or otherwise offensive remarks that are directed at a person because of that person's sex, whether or not the remarks themselves are sexual in nature, where the remarks cause discomfort or humiliation and interfere with the performance of the employee's duties

- Retaliation against an employee for refusing sexual or social overtures, for complaining in good faith about sexual harassment, or for cooperating in good faith with the investigation of a complaint.

Unlawful harassment, particularly sexual harassment, can be difficult to define. Misconceptions abound. For this reason, we strongly urge you to use our harassment reporting policy without worrying about whether the conduct involved would be considered harassment in a legal sense. If you consider the conduct to be harassment, report it.

Abuse of Supervisory Authority Prevention

Because of the potential for miscommunication, misunderstandings and conflicts of interest, we do not permit supervisors to date those they supervise. This policy applies to all employees who have the authority or practical power to supervise, appoint, remove, or discipline another employee or who are responsible for auditing the work of another employee.

Reporting Harassment, Discrimination or Retaliation

If at any time you believe you are being subjected to harassment, discrimination or retaliation, if you become aware of such conduct being directed at someone else, or if you believe another employee has received more favorable treatment because of discrimination, you must promptly notify the District's General Manager and/or any member of the Board of Commissioners. This applies to harassment, discrimination or retaliation caused by anyone who an employee comes into contact with as part of the employee's job: supervisors, co-workers,, consultants, or others. All reported incidents will be investigated under the following guidelines:

- All complaints will be kept confidential to the fullest extent possible, and will be disclosed only to management and as necessary to allow us to investigate and respond to the complaint. No one will be involved in the investigation or response except those with a need to know.
- Anyone who is found to have violated our anti-harassment policy is subject to corrective action up to and including immediate discharge. Corrective action will depend on the gravity of the offense. We will take whatever action we deem necessary to prevent an offense from being repeated.
- We will not permit retaliation against anyone who in good faith makes a complaint or cooperates in an investigation.

Our reporting procedure is mandatory. This means that we require you to report all incidents of harassment, discrimination, retaliation or other inappropriate behavior as soon as possible. Reporting such behavior is mandatory, not discretionary. We want to provide you with a pleasant and productive working environment, but we cannot do so if these issues are not brought to our attention.

Workplace Violence Prevention

Skyway Water and Sewer District prohibits acts of intimidation, threatening behavior, attempts to instill fear in others, threats of any type or any behavior that suggests a propensity towards violence. All such behavior is prohibited, unacceptable and will not be tolerated. Additionally, Skyway Water and Sewer District will not tolerate any form of violence on the part of its customers, vendors, contractors, consultants or other individuals engaged in the business activities of the District.

Prohibited actions may include, but are not limited to the following types of behaviors:

- Belligerent or profane speech or excessive arguing;
- Throwing or kicking objects
- Striking, punching, slapping or assaulting another person;
- Fighting or challenging another person to fight
- Grabbing, pushing, pinching or touching another person or any unwanted physical contact engaged in for purposes of intimidation, threat or violence;
- Engaging in dangerous or threatening horseplay
- Making intimidating or menacing gestures
- Bringing a firearm, knife or other weapon of any kind onto District property, including parking lots and other exterior premises;
- Threatening to harm another individual, directly or indirectly or via any telephonic, electronic or other communication device;
- Threatening to damage property; and
- Inappropriate behavior, statements or actions that could otherwise be perceived as aggressive, threatening or violent.

Reporting Workplace Threats or Acts of Violence

District employees are responsible to help prevent violence in the workplace. Employees are required to report all threats or acts of violence in accordance with this policy. All reports of alleged workplace violence will be taken seriously and investigated.

To help keep the work environment safe, employees should:

- Avoid engaging in intimidating or threatening behavior;
- Report any threats or violent acts against themselves or which they have witnessed against someone else or which they have knowledge from another person;
- Report any behavior perceived as intimidating, threatening or violent (even when no actual threat or violent act occurs) that is job-related, takes place on District-owned facilities or is connected with District employment; and
- Report any such behavior or violent act regardless of the relationship between the individual who initiated it and the person or persons who were threatened or subjected to the threatening behavior.

Employees should note that other emergency action (e.g. calling 911 for police fire or emergency medical response) should be taken, if deemed necessary, to ensure the safety of themselves, customers, contractors, etc.

Any person who makes a credible threat, exhibits threatening behavior or engages in violent acts on District property will be removed from the premises as quickly as possible and will be prohibited from returning pending the outcome of District and/or police investigation. Any person determined to be responsible for inappropriate behavior will be subject to appropriate disciplinary action, up to and including immediate termination of employment, business dealing with the District or other appropriate corrective action.

Our reporting procedure is mandatory. This means that we require you to report all incidents of threat, violence or other inappropriate behavior as soon as possible. Reporting such behavior is mandatory, not discretionary. We want to provide you with a safe and secure working environment, but we cannot do so if these issues are not brought to our attention.

All workplace violence reports will be kept confidential to the fullest extent possible, and will be disclosed only to management and as necessary to allow us to investigate and respond to the complaint. No one will be involved in the investigation or response except those with a need to know.

We will not permit retaliation against anyone who makes a report, assists in making a report or cooperates in a related investigation. If a claim of workplace violence, however, is found to be malicious and untruthful, disciplinary action against the employee making the false claim will be taken.

Security and Workplace Safety

Providing a secure environment is a priority for Skyway. Each employee is expected to obey security rules and to exercise caution in all work activities. Employees must immediately report any insecure condition or suspicious activity to their appropriate supervisor.

The District's information technology systems and the information served by those systems are valuable and vital assets. As a user of information resources, you are responsible for knowing about appropriate and ethical use of information in all environments you access, protecting the information you are using from corruption or unauthorized disclosure, working in such a manner as to consider the access rights of others, and following standard guidelines concerning the use and nondisclosure of passwords and other means of access control.

Skyway is committed to providing a safe and healthy work environment for all employees, customers and vendors, as well as the general public. Workplace safety is a high priority. Workplace safety depends on the alertness and personal commitment of all. It is each employee's responsibility to be familiar with and observe all safety and health rules and procedures.

The District will provide training as necessary for all employees to hold first aid cards. Applicable federal and state occupational safety laws and regulations shall serve as standards for which all employees and the District shall comply. Skyway provides information to employees and customers about safety and health issues through web postings, supervisor-employee meetings, bulletin board postings, or other communications. Additionally, employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards.

Employees must immediately report any unsafe condition or suspicious activity to the appropriate supervisor. Employees who violate safety standards or who cause hazardous or dangerous situations or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment. If an accident does occur, it must be reported to the immediate supervisor as soon as possible, regardless of severity or injury.

Employee Eligibility

Within three business days of hire or rehire, all new employees are required to present us with documentation sufficient to establish their identity and eligibility to work in the United States, and to sign INS Form I-9. A Social Security card and driver's license will be adequate in most cases.

Employment of Relatives, Domestic Partners and Significant Others

We generally do not permit the permanent employment of relatives, domestic partners or significant others of current employees. For purposes of this policy, "relatives" are spouses, children, parents, siblings, grandparents, grandchildren, aunts, uncles, first cousins, and corresponding in-laws and "step" relations. However, a spouse of an employee will not be denied employment due to his or her marital status, unless the employment would place one or both of the spouses in a situation of actual or reasonably foreseeable conflict between their interests and ours, such as if one spouse would have the authority or practical power to supervise, appoint, remove, or discipline the other, or if one spouse would be responsible for auditing the work of the other.

This policy applies to employees who marry, become domestic partners, or begin to date while employed by us. As a general rule, no employee will be discharged due to a conflict of interest because he or she has married, begun to date, or become the domestic living partner of another employee, unless the conflict cannot be resolved by placement in the organization for one or both employees.

We prohibit the employment of relatives, domestic partners and significant others of Commissioners, consultants, regulatory agencies and others with whom we deal where necessary, in order to avoid the reality or appearance of improper influence or favor, or to protect our confidential information.

Job Descriptions

The General Manager is responsible for maintaining and periodically updating job descriptions for all positions. We reserve the right to modify the job description for any position or employee at any time, at our discretion.

Employment Classifications

The Board of Commissioners shall establish all regular positions. The General Manager is authorized to establish temporary and part-time positions as needed, subject to budget availability. All persons who work for the District are classified as regular full-time employees, regular part-time employees, temporary employees or independent contractors. These classifications, which are defined below, are important because, among other things, they affect benefit eligibility. Generally, only regular full-time employees are entitled to the benefits set forth in this handbook. No person may be hired or retained by the District without the express written approval of the General Manager and/or the Board of Commissioners.

Employment classifications are as follows:

Regular – Employee who is employed full-time or part-time for an indefinite period, on an at-will basis.

Temporary – Employee who is employed for a limited and finite period of time, on an at-will basis. Temporary employees are employees who are neither regular full-time nor regular part-time employees. Temporary

employees typically are hired to work intermittently or for a special project. Temporary employees are not entitled to benefits. Despite the fact that they often work a finite period of time, temporary employees, like all employees, are employed on an at-will basis, which is confirmed in writing with them at the time of hire.

Full-time – Employee who is regularly required or expected to work at least 40 hours per week.

Part-time – Employee who is regularly required or expected to work less than 40 hours per week.

Exempt – Employees whose duties and salary meet specific tests established by the Fair Labor Standards Act (FLSA) and the Washington Minimum Wage Act (WMWA) and, therefore, are not paid overtime compensation.

Non-exempt – Employees whose positions do not meet FLSA and/or WMWA exemption tests and, therefore, are paid one and one-half times their regular rate of pay for hours worked in excess of 40 in a single work week.

Independent contractors - Independent contractors are people who are retained on a contractual basis, typically to render specific services for a limited amount of time, or on a specific project or projects expected to extend for a limited period. Generally, these are individuals who typically possess an independent business license and who take responsibility for paying their own taxes, or are hired through a temporary agency. Other criteria may be involved as well.

Hiring and Promotion

The General Manager hires or promotes all employees, with approval from the Board of Commissioners. While the General Manager may delegate the responsibility for the screening of candidates, the final decision regarding the selection of a candidate for hiring or promotion shall always remain with the General Manager.

Selected candidates will be offered employment or promotion in writing and must respond in writing to confirm their acceptance of the offer. Specific conditions under which a candidate is hired or promoted will be defined by the General Manager at the time of hire. Terms in an individual's offer letter may differ from the information in this Human Resources Policy and Procedures Manual as deemed necessary by the General Manager. In such cases, the offer letter takes precedence.

Salary Schedule and Salary Step Increases

The District has adopted a Salary Schedule that recognizes both ratepayer concerns and the District's mission and guiding principles with regard to employee compensation. The Plan establishes salary ranges for each employee position and steps within each of the individual ranges.

Employees will begin their employment at an established salary. Step increases will generally be given to employees, in good standing, on their anniversary date or at the time of their annual evaluation. The determination of whether an employee is in good standing, so as to make the employee eligible for a step increase, is at the sole discretion of the General Manager. Being in good standing requires an assessment that the employee has performed satisfactorily during the prior calendar year. In

making this determination, the General Manager will consider the employee's most recent performance evaluation as well as input from the employee's supervisor. Each step increase beyond the employee's first placement requires 12 continuous months of active employment to be considered for the next step.

Initial Evaluation Period

All persons hired or promoted to higher classifications shall serve a probation period of one year. A performance evaluation will generally be completed around the end of the first six months of employment and at the end of the first year. The General Manager or designee will perform such performance evaluations. Employee participation in, and cooperation with, the evaluation process is mandatory. Evaluation standards generally will be those used in the annual performance evaluation described in the "Performance Evaluation" section of this handbook. Under certain circumstances, the General Manager may, in his or her discretion, extend the initial evaluation period of an employee. The General Manager will inform employees in writing when, in his or her judgment, they have successfully completed the initial evaluation period. Successful completion of the initial evaluation period does not guarantee later employment or limit the General Manager's discretion with respect to corrective action or employment termination. Nor are employees guaranteed employment for the entire initial evaluation period. At all times, all employees are employed on an at-will basis.

Performance Evaluation

Our performance evaluation process is designed to provide a dialogue between the supervisor and employee on whether and why job requirements and goals, are or are not, being met. Performance evaluations typically are conducted: (a) at or before the end of the first six months (180 days) of employment; and (b) annually thereafter -- either near the anniversary date of the employee's hire or in an announced month (usually Fall) in which all employees will be evaluated. Additional evaluations, which may be formal or informal, may be requested by the employee or required by the supervisor, for instance if a performance problem exists. In general, only the initial evaluation and regular annual evaluations are considered for potential performance incentive/recognition pay. An unsatisfactory review indicates employment may not continue unless performance improves. Depending upon the circumstances, an unsatisfactory review may result in immediate discharge, at our discretion.

Participation by the employee being reviewed is essential. The appraisal should be discussed with and signed by the individual being evaluated. The employee's signature acknowledges having discussed and received the evaluation, not agreement with it. The written performance evaluation becomes a part of the employee's personnel file.

Personnel Records

Important events in each employee's history with us should be recorded and kept in the employee's personnel file. As a general rule, it is our policy to maintain such records as employment applications, resumes, offer letters, records of changes of status, performance reviews, corrective action notices, dates of employment and rates of pay. The maintenance and release of information in personnel files is the responsibility of the General Manager.

Each employee must provide the following information: name, address, telephone number, social security number, INS Form I-9 (proof of right to work in the United States), insurance beneficiaries, marital status and dependents affecting insurance

coverage and a person to notify in case of emergency. It is the responsibility of all employees, including those on leave of absence, to provide written notice to both their supervisor and the General Manager if any of this information changes.

All personnel files and information are the property of Skyway Water and Sewer District. The District reserves the right to use and disclose this information as we decide is appropriate. In general, however, it is our policy to release personnel files and the information contained in them only to our management and human resources staff; insurance carriers, accountants and attorneys who have a legitimate business reason to know the information involved; federal and state authorities as required by law; pursuant to subpoena or other judicially enforceable request; and/or pursuant to the employee's written authorization.

Employees may review their own personnel files in the presence of the General Manager or his or her designee at reasonable times upon request by the employee. Information obtained from former employers and personal references are maintained separate from the employee's personnel file and are not made available to the employee. Medical information is maintained in separate files, which are clearly marked "Confidential." Access to such medical information is restricted greatly, in accordance with applicable law.

Resignation/Retirement

To resign in good standing, an employee must advise the General Manager of the resignation in writing at least two weeks prior to the effective date of the resignation.

If, upon receiving notice of an employee's intention to resign, the General Manager determines that the employee should be immediately released, the employee shall be paid a severance pay equal to two (2) weeks at the employee's existing rate of compensation.

Employees planning to retire are required to give written notice of their retirement to the General Manager at least ninety (90) days prior to their last anticipated day of work.

Final Paycheck

Employees will be paid through the final day of employment, less any amount owing to the District. Upon separation or termination of employment, they will also be paid for any accrued, unused vacation and/or compensatory leave at the rate in effect at the time of separation or termination. Any accrued and unused sick leave held by separating employees will be cashed out and deposited into the employee's medical savings (VEBA) account at the employee's pay rate in effect at the time of separation. Any accrued and unused sick leave held by employees who are terminated or discharged will not be cashed out, but be forfeited.

IV. Compensation

The General Manager, with the written concurrence of the Board of Commissioners, has the authority to adjust the compensation provisions described below when he or she deems it necessary in order to carry out sound personnel management and to accomplish District objectives.

Salary

Employee salaries are governed by the District's annual established Salary Schedule approved by the Board. Within the overall Salary Schedule, each job will have a salary grade scale with a minimum salary and a maximum salary.

Cost of Living Adjustment (COLA)

The Salary Schedule will be reviewed annually during the District's budget/rate-setting process. For planning purposes, annual cost of living adjustments will be assumed for every January 1 in the amount of 90% of the Consumer Price Index for Seattle Tacoma Urban Wage Earners (CPI-W) for the 12-month period ending June 30 of the prior year. Actual cost of living adjustments, however, are at the Board's discretion and will be considered final only upon Board approval. Other salary and wage adjustments for competitiveness, market alignment, etc., shall be authorized by the Board in its discretion.

Performance Incentive/Recognition Pay

Skyway Water and Sewer District has developed a Plan to recognize outstanding job performance on an annual basis. Employees may be considered for outstanding performance pay as part of their annual performance evaluation. This pay shall not exceed the percentage rates established by the Board of Commissioners. Outstanding performance pay is not automatic. These payments are based on an employee's performance as documented by the General Manager or their designee, with a completed written performance evaluation which has been discussed with the employee.

Overtime and Compensatory Time

Employees who are non-exempt under the FLSA and the WMWA who work overtime will be compensated with pay or compensatory time, at the employee's option and in accordance with applicable law, at the rate of 1.5 times the normal hourly rate for any hours worked in excess of an 8 hour day. With the exception of on call response, all overtime work by non-exempt employees must be authorized in advance by the General Manager or his or her designee. Working overtime without prior authorization may result in disciplinary action.

Exempt employees are expected to work as much of each workday as is necessary to complete their job responsibilities. No overtime or additional compensation is provided to exempt employees, unless authorized by the General Manager and/or Board of Commissioners.

Holiday Compensation

Any employee who is required to work on a holiday is paid at a rate of double time (2) times their regular hourly rate for each hour worked during the holiday. If acceptable to the employee and to the General Manager, compensatory time off at the overtime rate of two (2) hours off for each hour worked may be granted in lieu of overtime pay.

On Call Compensation

The compensation for on-call duty is \$20 per day.

Longevity Compensation

Longevity compensation or an "Anniversary Bonus" shall be paid to each employee annually on their employment anniversary date as follows:

1 - 5 years of service \$ 0

6-10 years of service	\$ 60
11-15 years of service	\$ 120
16-19 years of service	\$ 160
20+ years of service	\$ 200

V. Work Schedule, Time Reporting and Payroll

Hours of Work

The work week normally consists of forty (40) work hours per week. Usual business hours are from 7:30 a.m. to 4:00 p.m., Monday through Friday. Adjustment to these business hours may be made by the General Manager in order to maintain efficient and orderly operations. All employees are expected to work all hours to which they are assigned.

Lunch and Rest Periods

Full-time employees receive a thirty (30) minute unpaid lunch period and two paid ten (10) minute breaks – one in the mid-morning and one in the mid-afternoon. Part-time employees' lunch and rest periods will be pro-rated based on actual hours worked.

On-Call Policy

To meet the emergency needs of the District, one field employee shall be on call, on a rotating basis, at all times. The on call employee shall remain able to respond to an emergency call within one hour or less from the time the call is received. Additional compensation shall be paid when responding to after hour emergency calls at a minimum rate of two (2) hours and a rate of one and one-half (1-1/2) times their regular salary.

District vehicle take-home, for official use only, is permitted for the on-call employee.

Time Sheets

Employees are required to use a time sheet to ensure an accurate account of all hours worked and benefit time used. Employees are expected to maintain accurate time records; the falsification of time records is grounds for disciplinary action, up to and including termination. Employees are responsible for preparing their own time sheets.

Pay Period / Dates

Employees will be paid on the last working day of each month for the pay period starting on the 1st day of the month to the last day of the month in which payment is made. If the last day of the month falls on a weekend or holiday, employees will be paid on the preceding regular work day. Paychecks will be hand-delivered or directly deposited to your bank account on the scheduled payday unless other arrangements are made.

Although the District tries to be accurate in its payroll records, occasionally an employee may be paid more or less than he or she should. If there is an error in your check, please report it immediately. If a paycheck is less than it should be, the District will correct it in the following pay period, or earlier if the shortage is significant. If a paycheck is more than it should be, the District will make a corresponding deduction from the employee's next paycheck, or arrange for reimbursement over several paychecks.

Employees leaving the District's employ will be paid on the next normal pay period following their last day of employment, providing all District property assigned to them, for their use during their employment, has been returned.

Payroll Deductions

District Employees will have withheld from their wages amounts specified by federal and state and local laws. Standard deductions will include Federal tax withholding, Social Security (FICA) and Medicare, Washington State Retirement System contribution, Department of Labor and Industries (Workers Compensation), VEBA (Medical Savings) and PEBB (Medical/Dental Insurance) contributions. Other deductions may be made with your prior written authorization and District/General Manager approval.

VI. Employee Benefits

Skyway Water and Sewer District provides employees with benefits consistent with the judicious expenditure of funds entrusted to the District. These benefits currently include health, dental, vision, life and disability insurance, Social Security, Medicare, retirement/pension plan, medical savings (VEBA) and leave. These employee benefits are intended primarily for regular, full-time employees. Part-time and temporary employees will be provided with such benefits as agreed in writing as determined by the General Manager at the time of hire.

This Employee Policies and Procedures Manual generally describes our current benefits package. The District does not promise that any particular kind or level of benefits will continue in the future. The District reserves the right to terminate or modify the benefits provided at any time, at its discretion, with or without advance notice. Any changes in benefits, however, will not affect rights that have vested under the terms of any written benefit plan, as determined under the federal employee benefits law (ERISA).

Summary descriptions of the District's employee benefit plans are available upon request. The exact terms and conditions of our benefit plans are governed by the plan documents themselves. The plan documents control any inconsistent statements or descriptions, written or oral.

Social Security (FICA) and Medicare

Skyway Water and Sewer District and employees contribute to Social Security and Medicare in accordance with applicable contribution requirements as established by the Social Security Administration.

Employee Benefits Plans

Medical, dental, vision, life and disability insurance and other benefit options may be available to employees. Details on the benefits package are available from the District's Administration Services Manager. Coverage is available for employees and their spouses, domestic partners, and dependents, as defined more fully in those plans. The cost sharing between the District and the employee is set by the Board. When employees participate in these benefit plans, their share of any premiums, if any, will be deducted from their paycheck.

To the extent that any employee benefit plans may cover spouses of employees, the same plan coverage shall be extended to domestic partners of employees as well. Unless otherwise defined by applicable law and/or governing plan documents, an employee shall be considered to be in a "domestic partnership" when: (1) the employee and domestic partner share a common residence, as defined by state law; (2) both the employee and the employee's domestic partner are over the age of 18; (3) neither the employee nor the employee's domestic partner are married to any other person; (4) the employee and domestic partner are not related by blood to one another in a manner that would bar their marriage in Washington State; (5) the employee and domestic partner have a relationship of mutual support, caring and commitment; and (6) the employee does not have any other domestic partner. The District shall further recognize any domestic partnership that has been registered with the Secretary of State pursuant to Chapter 26.60 RCW. Employees who obtain benefit coverage for their domestic partners are obligated to immediately notify the District in the event that the domestic partnership ends.

Medical/Dental/Vision / Life/Disability/AD&D Insurance

Skyway Water and Sewer District participates in the State of Washington Public Employee's Benefit Board's Health Care Authority Benefit Plan. Medical, dental, vision, basic life, disability and accidental death and dismemberment insurance coverage will be effective on the first day of the month following the first date of employment. Insurance costs above District-established basic coverage and rates will be deducted from the employee's wages.

Under certain circumstances as defined in the governing plan documents and/or applicable law, employees whose employment with the District has ended may be provided the opportunity for continuation coverage under our medical insurance plan for a period of time, but the employee will be responsible for paying the full cost of the premiums.

Retirement Plan

Skyway Water and Sewer District participates in the Washington State Department of Retirement System. Contributions, as required by the State, will be deducted from the employee's monthly wages. Monthly contributions will also be made by the District, as required by the State, for each employee.

HRA/VEBA Plan

The District has established a Health Reimbursement Arrangement/Voluntary Employees' Beneficiary Association (HRA/VEBA) Plan for Full-time employees. Both employees and the District make contributions to the HRA VEBA Plan in accordance with established agreement and rates which change from time to time. Employees should consult the most current HRA VEBA Resolution and Policies for the details of this Plan.

Deferred Compensation Plan

A deferred compensation plan is available to employees through the Washington State Department of Retirement Systems (WSDRS). Employees may defer a portion of earnings pursuant to WSDRS requirements. The District makes no contribution to deferred compensation benefit plans.

Worker's Compensation

The District provides worker's compensation insurance to all employees as prescribed by Washington State law. When a work-related injury occurs, the injury must be reported immediately to the General Manager or designee. Appropriate

medical attention must be sought, and the worker's compensation claim form must be filled out as soon as possible.

Employee Assistance Program (EAP)

Skyway Water and Sewer District provides to its employees, an Employee Assistance Program (EAP), known as "Fully Effective Employees". This program offers a confidential resource outside the workplace which can assist employees and their family members with resolution of personal problems. Problems EAP assists with include stress management, family problems, marital/relationship issues, alcohol/drug problems, personal/emotional problems, financial or legal problems and many other such challenges

The EAP is completely confidential. We encourage you to take advantage of this program as we feel it is a great employee benefit and service. The District supports you in maintaining your physical health and emotional well-being and in resolving personal problems which if left unresolved, can negatively impact your work.

Clothing

The District provides logoed uniforms and special clothing to employees. Field employees will wear complete uniforms provided by the District when performing services for the District. Uniforms will be replaced as needed, not to exceed \$350 annually. Each field employee will be responsible for the laundering of his or her own uniforms. In addition, summer jackets, winter coats, hats, gloves, foul-weather gear, boots, safety vests, safety glasses and any other needed clothing or safety clothing will be provided by the District for each field employee on an as-needed basis.

Requests for clothing should be made to the General Manager. Once a request is made, the Manager will respond within 15 calendar days. All new field employees will receive an extra amount of clothing equal to \$500.

District logoed clothing for office employees and commissioners is optional. The District will provide and replace logoed clothing for office staff and commissioners, not to exceed \$100 annually. Office employees and commissioners are encouraged to wear logoed clothing when representing the District at public meetings or professional conferences.

Education and Training

Skyway Water and Sewer District encourages career development of its employees through ongoing education, training and certification. The District believes that both the employee and the District benefit when employees obtain or maintain required licenses or certificates and/or improve knowledge that will be of benefit to the operation of the District. In order to encourage education and training, the District may, with the approval of the General Manager and/or Board of Commissioners:

- Allow attendance at approved training courses during working hours;
- Pay all expenses and registration costs associated with the employee's attendance at training courses, including lunch if training includes time for a lunch break and lunch is not provided;
- Pay employee's membership dues for approved industry organizations;

- Pay all fees and renewal fees for obtaining and maintaining certificates and licenses which are required by law for the performance of an employee's duties;
- Other continuing education classes offered in accredited school or colleges, taken on the employee's own time, may also be considered for tuition reimbursement. The employee requesting reimbursement must produce proof of successful completion, and the class must be determined in advance to be beneficial to the employee's performance at his/her position.

VII. Paid and Unpaid Leaves

Holidays

The following days, unless otherwise established by the Board, are observed as holidays each calendar year:

New Year's Day
 Martin Luther King, Jr.'s Birthday
 Presidents Day
 Memorial Day
 Independence Day
 Labor Day
 Veterans Day
 Thanksgiving Day
 Friday after Thanksgiving
 Christmas Eve Day
 Christmas Day
 Personal Day

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

On January 1 of each year, one personal day will be available for use by each employee. Use of personal days must be approved in advance by the General Manager and must be used up within each calendar year. Personal days do not accumulate and forward to future year(s).

Vacation

Employees shall accrue vacation time at the following rate:

<u>Years of Employment (<i>Inclusive</i>)</u>	<u>Accrual Rate & Maximum</u>
1 – 4	.833 day/pay period; 10 days/year
5 - 9	1.25 days/pay period 15 days/year
10 - 15	1.417 days/pay period 17 days/year

16 - 19

1.667 days/pay period
20 days/year

20+

21-25 days/year up to 25

Vacation compensation is paid at the employee's established hourly rate. Regular part-time employees accumulate Vacation Leave on a pro-rated basis, based on the number of hours normally worked by them.

Because the District recognizes the importance of rest and recreation for its employees, all employees are required to take off no less than 50% of the vacation hours earned and accumulated during a year.

Vacations shall be requested, scheduled and approved in advance by the General Manager so as to cause the least possible interference with District operations. The Board of Commissioners must be notified prior to the General Manager taking a vacation of five days or more. Weekends and holidays are not counted as vacation days.

Unless in the case of extenuating circumstance and unless pre-approved by the General Manager, employees are not entitled to an accumulation and carry over into the next year, of more than fifty percent (50%) of annual earned vacation leave. Any accumulated vacation time in excess of 50% of the current year shall expire on December 31 of each year.

If an employee becomes ill or injured during vacation, the employee may request that the time be counted as Sick Leave, rather than charged against his or her accrued Vacation Leave. Substitution of Sick Leave for Annual Leave must be approved the General Manager and the District may also require confirmation by the employee's physician.

Compensatory Time Leave

A maximum of 80 hours of compensatory time shall be allowed to accumulate. Compensatory Time in excess of 80 hours will be paid to the employee at the employee's regular rate of pay.

Compensatory time in the amount of 40 hours may be allowed to carry over from year to year. Year-end time in excess of the allowed 40 hour carry over shall be taken by the employee or compensated to the employee at the employee's regular rate of pay at the end of each calendar year.

Compensatory time leave shall be requested, scheduled and approved in advance by the General Manager so as to cause the least possible interference with District operations

Upon separation, retirement or death, an employee (or their beneficiary) shall receive payment equal to the employee's then accrued and unused compensatory time leave, up to the maximum allowed. Such payment shall be made at the employee's last hourly rate of pay.

Sick Leave

Employees accrue sick leave at the rate of one (1) day or eight (8) hours for each month, up to a maximum of 90 days or 720 hours. Any accumulated sick leave in excess of 720

hours will be paid/deposited, at the employee's current hourly rate of pay, into the employee's medical savings (VEBA) account on a quarterly basis.

Sick leave shall be used for the following purposes only:

- 1) Personal illness, hospitalization, outpatient medical care or counseling;
- 2) Medical quarantine
- 3) Personal dental care and doctor appointments
- 4) Care of employee's child, spouse or immediate family member with a health condition that requires medical treatment or supervision
- 5) Bereavement, if additional time over provided days is necessary

All employees shall promptly report any condition or anticipated condition necessitating the use of sick leave and shall keep their supervisor informed of the duration of their absence. Upon return to work, the employee shall complete the required sick leave form and, if required, shall supply a doctor's or dentist's statement concerning the employee's, employee's child or employee's immediate family member's medical or dental condition.

Any employee found to have abused sick leave benefits by falsification or misrepresentation, shall be subject to disciplinary action and shall further be required to reimburse the District all compensation paid to such employee for the period of such absence.

If an employee exhausts all accrued sick leave but is still unable to return to work, the employee may request vacation or a leave of absence from the General Manager.

Upon an employee's separation, retirement or death, all accrued sick leave will be paid/deposited, at the employee's current rate of pay, into the employee's medical savings (VEBA) account. If the employee is terminated, all accumulated sick leave will be forfeited.

Family Care Leave

Employees may use accrued sick leave for any absence due to personal illness or injury, including pregnancy or related conditions, or to care for a family member of the employee with a health condition that requires treatment or supervision. If further time is needed, accumulated vacation shall be used. If circumstances necessitate additional leave time, a request for leave without pay may be submitted to the General Manager. No benefits are payable during an unpaid leave and the employee is responsible for payment of medical insurance.

Maternity Disability Leave

Employees are entitled to an unpaid pregnancy disability leave of absence for the period of actual disability due to pregnancy, childbirth or related medical conditions. Employees taking maternity disability leave are required to use accrued vacation or sick leave, to the extent available. If the employee's leave extends beyond the employee's accrued vacation or sick leave, then the leave shall be unpaid. No benefits are payable during an unpaid leave and the employee is responsible for payment of medical insurance.

Parental Leave

Any District employee may request an unpaid leave of absence upon the birth or adoption of a child; provided that the employee shall first exhaust the employee's accrued vacation or sick leave prior to being eligible for unpaid leave. Such leave would be in addition to leave given for maternity disability reasons, as applicable. The decision to grant such leave and the length of leave is within the District's sole discretion and will be

determined by the General Manager based on the facts of each request and consideration of business operations. No benefits are payable during an unpaid leave and the employee is responsible for payment of medical insurance.

Disability Leave

A leave of absence without pay for up to ninety (90) days may be granted by the General Manager to regular full-time employees upon exhaustion of accrued vacation or sick leave in the event of extended illness or disability.

Upon request for a disability leave, the employee must submit medical documentation acceptable to the District verifying the illness or disability and its anticipated duration. In addition, at the request of the District, an employee must provide verification from a medical health care provider of the District's choosing and at the expense of the District, to establish the illness or disability and its anticipated duration. No benefits are payable during an unpaid leave and the employee is responsible for payment of medical insurance.

Bereavement Leave

Employees will be granted up to three (3) consecutive work days of leave of absence with pay for the death of any member of the employee's immediate family. Bereavement leave is separate from and does not count against Vacation or Sick Leave. For the purposes of this policy, the immediate family consists of: Spouse or Domestic Partner, Mother, Father, Children, Sister, Brother, Mother-in-law, Father-in-law, Step or half-blood sibling, or any relative residing in the same household as the employee.

Employees will be granted one (1) day of leave of absence with pay for the death of: Grandparents, Aunts, Uncles or Grandchildren

If additional time is needed, the General Manager may allow accrued sick leave to be taken, provided that the additional leave does not limit the capability of District operations.

Military Leave

The District provides military leaves of absence to employees who serve in the uniformed services as required by the Uniform Services and Reemployment Rights Act of 1994 and applicable state (RCW 38.40.06) and federal laws.

Employees will be granted up to twenty one (21) days per year of leave with pay, or any greater leave required by law, to allow the performance of service with the Armed Forces. If the leave exceeds 21 days, the employee shall take accrued compensatory time, available vacation leave, and then leave without pay. Requests for military leave must be given in advance and be accompanied by copies of military orders and any other documents supporting the requested leave. Military reserve training leave may be combined upon approval with vacation leave, after exhaustion of the 21 days.

Jury Duty / Court Leave

District employees will be allowed paid leave to serve on the jury of a federal, state or municipal court. Employees who are subpoenaed to appear in court or be in court as a party, or as a representative to a party in a court action, other than on District business, will be allowed to utilize vacation leave, compensatory time leave or take unpaid leave. Upon receiving notification to serve on jury duty or when subpoenaed, employees must notify the General Manager immediately.

Employees who are summoned for jury duty will receive their regular rate of pay less any compensation paid to the employee for such services. Employees must submit to the

General Manager, a copy of the records of payment received for jury duty in order to receive paid jury duty leave.

Employees who are excused from court or jury duty during the hours that they are regularly scheduled to work must notify the General Manager immediately and may be required to report to work.

Inclement Weather

The General Manager, may, in his or her discretion, close the office operations and dismiss all employees, or a portion of them, from work due to inclement weather. If District operations are closed, then all employees will receive regular pay for the time the office is closed. If the office remains open but an employee is unable to get to work because of inclement weather, the absence will be without pay unless the employee chooses to use vacation or compensatory time leave available to him or her, or is granted permission to make up the hours by the General Manager. If employees report to work when the office is open but later is closed by the General Manager, due to inclement weather, employees will receive regular pay for the entire day.

Leave of Absence

Requests for leave (for medical or personal reasons) must be submitted in writing to the General Manager as far in advance of the anticipated leave date as possible. All requests for leave must identify the anticipated beginning and ending dates of the leave. If circumstances prevent you from submitting an advance written request, you must orally inform your immediate supervisor as soon as possible and follow the oral notification with a written request.

We may require that you provide a medical certification or note from your doctor to support a request for leave. This is particularly likely where the leave is for a serious health condition (your own or your child's, spouse's or parent's), is expected to extend beyond five consecutive working days, or involves intermittent or part-time leave. We may require a second opinion at the District's option and expense.

Continuation of Benefits during Leave

All employee benefits continue during periods of paid leave. The continuation of benefits during unpaid leave will be considered on a case by case basis at the discretion of the General Manager and Board of Commissioners.

Employee benefits that operate on an accrual basis (such as vacation and sick leave) do not continue to accrue, unless a written employee benefit plan provides otherwise. We do not pay for health or other insurance benefits (unless required under the FMLA), but you may continue those benefits through COBRA at your own expense during the leave to the extent allowed by our benefit plans.

No other benefits are provided.

Returning From Leave

The District' complies with all applicable laws related to reinstating employees after periods of leave. Except as required by law, however, the determination of whether an employee will be reinstated after a leave of absence is at our discretion. As a general rule, upon returning from a leave of 30 days or more, your normal anniversary date for performance review will be advanced by the number of days absent. We may require that you provide a medical certification of your fitness for duty to return to work after a medical leave.

Absent special circumstances, an unauthorized failure to return promptly to work at the conclusion of a leave of absence, acceptance of any other employment during a leave, or an application for unemployment compensation while on leave (which would indicate you are available for work), will be treated as a voluntary resignation.

VIII. Standards or Conduct and Discipline

Employees are expected to perform their work efficiently and effectively and to be mindful of the public expectations placed on the District and its employees. Employees are expected to act with judgment, discretion, and integrity at all times. Appropriate conduct involves more than following the letter of rules. If necessary to correct an employee's behavior, disciplinary measures will be applied firmly, consistently and fairly.

While the District generally believes in progressive discipline which calls for appropriate discipline in appropriate circumstances, the District reserves the right to review each situation independently and to make decisions on what it deems appropriate discipline in all cases, up to and including termination. The District may use coaching or counseling initially to be followed up by more serious discipline. The decision to use progressive discipline does not change the at will nature of the employment relationship.

Guidelines for Conduct

All employees should act professionally and in the best interests of Skyway Water and Sewer District at all times. Violations of our standards of conduct are unacceptable and may result in corrective action.

The following are examples of violations of our standards of conduct. These examples merely illustrate, and do not limit, the types of conduct we may consider unacceptable.

- Tardiness, excessive absenteeism, unexcused absence
- Incompetence, inefficiency, inattention to duty and performance that does not meet requirements and expectations
- Insubordination or deliberate failure to carry out instructions
- Abusive language or conduct; discourteous treatment of customers or fellow employees
- Inattention to safety standards
- Failure to report defective work, or attempting to cover defective work.
- Inappropriate dress or poor grooming
- Disparaging the District, its activities, employees, or customers
- Reporting to work under the influence of alcohol, using illegal drugs, or in possession of such, on District property or during working hours.
- Possession of weapons or explosives on District premises.
- Illegal gambling or solicitation on District property.
- Misusing, destroying, or purposely damaging District property or property of an employee
- Unauthorized use or taking of District property
- Using work time for personal activities
- Falsifying records, including employment applications or time sheets
- Unauthorized use or release of confidential information
- Harassment of any nature

- Conviction of traffic offenses in the operation of District vehicles and/or unsafe operation of District vehicles or equipment.
- Conviction of gross misdemeanor or felony

Standards of conduct are further described and/or detailed below.

Non-Solicitation

It is Skyway Water and Sewer 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 District 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. The General Manager may authorize generally recognized charitable organizations, such as but not limited to United Way, to make presentations to employees.

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.

Attendance Standards

In order to maintain proper operations and a highly efficient work force, regular attendance and punctuality are considered to be essential functions of every position that the District offers. Employees must report for work each day at the appointed time unless the employee is sick or his or her absence for any reason has been approved by the General Manager. The District reserves the right of the General Manager to authorize or refuse to authorize the advance request for permission to be absent; to investigate absences and to deny absence pay allowance for absences in violation of this policy.

Telephone, Facsimile, Internet and Electronic Mail Use

Telephone, facsimile, internet and electronic mail access provided by the District are intended primarily for use in conducting District business. Employees may, within reason, use such services for personal use provided that such use does not interfere with District business or cause the District to incur additional costs

All information contained on District provided equipment, supplies and programs remain at all times the exclusive property of the District and the General Manager or designee may monitor and review such information at any time, in his or her sole discretion. Employees should understand that they have no expectation of privacy with respect to their computer and internet usage.

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.

District Equipment

District equipment shall not be used for personal reasons except for as described in the section above relating to the use of telephones, facsimile, internet and electronic mail use

Substance Abuse

Skyway Water and Sewer District is responsible for delivering essential public services and ensuring public safety. The use, sale, transfer or possession of drugs or having drugs in the employee's bodily system (except as authorized and prescribed by a physician) while on District property, District time or in any other circumstance that might adversely affect District operations, safety, job performance or public reputation is prohibited. An employee taking prescription drugs that could adversely affect the job performance or safety must inform the immediate supervisor before beginning work.

Alcohol is prohibited from District property and operations. Consuming alcohol or being under the influence of alcohol while on District property, District time, or in other circumstances that might adversely affect the District's reputation, including consuming alcohol before reporting to work or during breaks or lunch periods is expressly prohibited. The conviction of a drug or alcohol related crime on or off the job is a violation of this policy.

Testing. Drug or alcohol testing will be required in the following circumstances:

- a. Testing will be required prior to employment, or
- b. Where there is information about an employee's conduct that would cause a reasonable person to believe or have a suspicion that the employee has used or may be impaired by alcohol or drugs, or
- c. When an employee is involved in an accident requiring medical treatment or the employee engages in unsafe job related activities that pose a significant danger to the employee or others.

The refusal of an employee to take a drug test or alcohol test will result in discipline up to and including immediate discharge.

Employee Assistance. The District recognizes that alcohol and drug abuse can be successfully treated and is willing to help employees who suffer from these problems, while holding them responsible for their recovery. The District maintains an employee assistance program through which employees have access to treatment services to aid them with their drug or alcohol problems. Employees are encouraged to use these services before the problem affects their employment status.

Violation of any of the terms of our Drug and Alcohol Use Policy will result in disciplinary action up to and including termination. Such disciplinary action may include a requirement of successful completion of a rehabilitation program and suspension, without pay, until such time as the District determines that the employee is able to perform his or her duties fully within the scope of his or her job position and in a safe and efficient manner.

The District may report illegal use, possession or sale of any controlled substance or drug not medically authorized to appropriate law enforcement officials. In addition, the District may turn over to the custody of law enforcement officials any such substance.

Accidents

Skyway Water and Sewer District will make every effort to provide safe working conditions for all employees. No one will knowingly be required to work in any unsafe manner. Safety is every employee's responsibility. Therefore, all employees are requested to do everything reasonable and necessary to keep the District a safe place to work, and to report immediately any potential safety hazards to their immediate supervisor or the General Manager.

No matter how insignificant an injury may seem at the time of occurrence, employees must notify their immediately supervisor or the General Manager immediately.

Appearance

All employees are expected to present a neat appearance on the job. District uniforms should be worn by all field employees. Office employee dress should be appropriate to the position and specific work circumstances.

No Smoking Policy

Skyway Water and Sewer District has a No Smoking Policy for its employees. Smoking is prohibited in the office, in District owned vehicles and in any other District work area, including field work areas. This policy allows non-smoking employees a clean smoke-free environment during working hours.

Conflicts of Interest/Outside Employment

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest or the appearance of such. An actual or potential conflict of interest occurs when an employee is in the position to influence a decision that may result in a personal gain for that employee or a relative as a result of the District's business dealings or where outside interests interfere with the employee's ability to perform job requirements.

No employee shall own, be employed by or engage in any business relating to the construction, repair or maintenance of water and sewer lines and systems within the geographic area of the District. No employee shall be engaged in outside employment that interferes with that employee's performance of duties.

Any employee who participates in practices that are considered a conflict of interest will be subject to disciplinary action

Discipline/Corrective Action

We may take discipline or corrective action measures when an employee has not adhered to our standards or when performance is otherwise unsatisfactory. Discipline or corrective action may include, without limitation, verbal warning, written warning, suspension, probation, demotion, reassignment, or discharge, with or without prior notice.

Suspension may be used either as a corrective measure, to permit an investigation, to allow us to determine what corrective action will be applied, or to remove an employee from the premises for a period of time.

A corrective probationary period does not guarantee the employee will remain employed to the end of the specified period. Successful completion of corrective probationary status does not guarantee later employment or limit our discretion with

respect to later corrective action or discharge. Employment remains on an at-will basis at all times.

The goal of our corrective action policy is to correct unsatisfactory behavior or performance. We reserve the right in all circumstances to apply the corrective action we decide is appropriate, up to and including immediate discharge without prior corrective action or notice. At all times, employment remains on at-will basis.

Grievance Procedures

Any employee, except probationary employees, who believes themselves to be aggrieved by some condition of employment, adverse personnel action or corrective/disciplinary action, shall be eligible to invoke the following grievance procedures:

Step 1 – Review by Immediate Supervisor:- Within two (2) working days after the event giving rise to the grievance, the employee involved shall personally present the grievance to his or her immediate supervisor for resolution. The immediate supervisor shall have five (5) working days to respond. If the matter is settled at this point, an appropriate memo shall be placed in the employee's personnel file. If the matter has not been settled, or if the employee's immediate supervisor is the General Manager, the employee should proceed to Step 2.

Step 2 – General Manager Review: If the grievance cannot be settled at Step 1, the Manager shall, within 15 working days after receipt of the grievance, conduct an investigation and render a decision in writing regarding the matter. If the grievance is resolved at this point, it will be noted in the employee's personnel file. If the grievance has not been settled at Step 1 or 2, the employee may present to the Manager, a written request for appeal to the Board of Commissioners.

Step 3 – Appeal to the Board of Commissioners: Upon employee request for Board Appeal, the Manager shall place the matter on the agenda for consideration at the next regular meeting following receipt of the request for appeal. The Board of Commissioners shall consider the matter and respond, in writing, within 15 working days of the meeting decision. The decision of the Board of Commissioners shall be binding on all parties.

IX. Expense Reimbursement

Employees will be reimbursed for reasonable and necessary expenses as outlined below. In order to be eligible for reimbursement of expenses incurred while carrying out the business of the District, employees must submit an Expense Report in a form designated by the General Manager. The Expense Report shall include a description of the expense, the date the expense was incurred, the reason for such expense and any appropriate receipts. Expense Reports must be approved by the General Manager or designee.

Meals

The cost of meals (breakfast, lunch and dinner) is reimbursable (including tax and reasonable gratuity (not to exceed 20%), excluding alcoholic beverages) when an employee is traveling for official District business or is at an official District-related meeting or event.

The cost of meals is usually not reimbursable during day trips, except in the case when an employee must leave his/her residence before 7:00 a.m. or return after 7:30

p.m., the actual cost of breakfast and/or dinner (including tax and reasonable gratuity (not to exceed 20%), excluding alcoholic beverages) may be reimbursable.

All meals taken in conjunction with approved meetings, conferences, seminars, etc will be reimbursed at full cost unless the meals are in addition or substitute to meals that are included and provided in the cost of registration for the event.

Travel

When a privately owned vehicle is used on official District business, employees will be reimbursed at the per mile reimbursement rate set by the Internal Revenue Service. In addition, employees will be reimbursed for all reasonable expenses such as parking fees, tolls, etc. when incurred on official District business.

Registration Fees

If not paid for in advance by the District, registration fees for approved conferences, seminars, etc. paid for by an employee will be reimbursed.

Out of Town Travel

Travel out of town may be authorized only for official District business, which may include attendance at conferences, conventions and seminars which deal with topics of value and interest to the District. Approval in advance is required by the General Manager.

Lodging

Hotel and motel expenses incurred during authorized out of town travel will be reimbursed on the basis of actual cost, provided that itemized receipts are submitted with the expense report form. Reasonable porter fees and hotel tips may be included in the amount reimbursed.

Commercial Transportation

Reimbursement for commercial transportation expenses will be based on the most cost effective mode of travel available. If the most cost effective mode of travel requires the employee to travel on a weekend, such arrangements may be approved by the General Manager if the total cost (including overnight accommodations and meals) is less than the alternative travel cost alone and the employee does not claim the travel time as work hours. Reasonable expenses incurred for taxicabs and similar transportation in connection with train or plane trips is reimbursable.

X. Retaliation and Whistle-Blower Protection

Skyway Water and Sewer District strives to conduct its business with integrity and in strict accordance with all applicable federal, state, and local laws. Accordingly, employees are strongly encouraged to bring to the attention of the District any improper actions of District employees or officers. The District prohibits retaliation against any employee who makes a complaint of improper actions in good faith and in accordance with the procedures set out in this policy.

Reporting Procedure – As used in this policy, “improper actions” refers to actions undertaken by a Board member, alternate Board member, or employee in the performance of his or her official duties that (a) are in violation of any federal, state, or local law or rule, (b) are an abuse of authority, (c) create a substantial and specific danger to public health or safety, or (d) grossly waste public funds. “Improper actions” do not include personnel actions, such as the processing of grievances; decisions regarding hiring, promotion, firing and other discipline; (collective bargaining) agreements; employment contracts; or employment policies. Concerns about

harassment or discrimination will be addressed consistent with District policy on reporting harassment or discrimination.

Improper actions may be reported internally using this policy or may be reported to the Office of the Washington Attorney General, the Office of the Washington State Auditor, or the Office of the King County Prosecutor. Before an employee provides information of an improper action to anyone who is not a public official or listed in the prior sentence, the employee must first raise his/her concern with the District's General Manager, Board President or Board Vice President and fully exhaust the reporting and reconsideration procedures set out in this policy. Because most concerns can most effectively be addressed internally, Skyway Water and Sewer District strongly suggests employees report any concerns about improper actions to the General Manager, Board President or Board Vice-President and allow the District to complete its review, before the employees provide information to other governmental agencies.

To report improper actions, submit a concern and related information (Complaint) in writing to the General Manager. If the concern relates to the General Manager, submit the concern to the Board President or Vice-President. The identity of the reporting employee will be kept confidential to the extent possible under law and consistent with the need to investigate the Complaint, unless written authorization for disclosure is provided. Employees may report under this policy through an attorney.

The General Manager or Board Officer will have ten (10) working days to address the Complaint and provide a written response that identifies the alleged improper action at issue, describes the scope and findings of our investigation, states what, if any, action will be taken against the offending officers or employees, and explains why that action is appropriate.

If the reporting employee is not satisfied with the investigation or resolution of the Complaint, he/she may request reconsideration in writing within five working days of receipt of the District's written response. Written requests for reconsideration must be submitted to the General Manager, Board President or Vice-President and must identify the specific elements of the investigation or written response that are unsatisfactory. The District has three working days to advise in writing whether reconsideration will be granted. Any reconsideration will be limited to examination of the specific issues raised in the written request. From the date reconsideration is granted, the District will have ten (10) working days or until the next regularly scheduled board meeting, whichever is sooner, to complete additional investigation and give a written response.

All employees must strictly follow this policy. Employees who comply with this policy will not be subject to discipline or discharge for reporting, or for disclosure or other activities pursuant to this policy. Going outside this reporting and reconsideration policy is permitted only in those rare cases where persons or property will be damaged if the alleged improper conduct is not immediately addressed.

Protection Against Retaliation – All District personnel are prohibited from taking any adverse employment action against an employee who registers a Complaint in good faith with a public body in accordance with this policy. If an employee believes he/she has been retaliated against for reporting improper actions in accordance with this policy, he/she may seek redress as follows:

The employee must provide written notice of the charge of retaliatory action to the General Manager, Board President or Board Vice-President within 30 days of the

date the alleged retaliatory action. The notice must describe the alleged retaliatory action and the persons allegedly involved, and identify the relief requested.

The Board will respond to the charge in writing within 30 days of its submission. The Board's response will identify the alleged retaliatory action and persons involved; identify the relief requested; describe the investigation conducted; state and explain the disposition of the charge; identify the relief, if any, that is being granted; and explain why any granted relief is appropriate.

The employee is entitled to a hearing, at his/her choosing, if he/she is not satisfied with the Board's response to the employee's charge. To receive a hearing, however, a written hearing request must be delivered to the Board within 15 days of delivery of the Board's written response to the charge or, if the Board fails to respond within the allotted 30 day period, within 15 days of the last day on which the Board could have responded.

Within five working days of the Board receiving a timely request for hearing, the District will apply to the State Office of Administrative Hearings for an adjudicative proceeding before an administrative law judge.

Unless the administrative law judge extends the period, the judge will issue a final decision no later than 45 days after the date the timely request for hearing was delivered to the Board. The administrative law judge's decision is subject to court review.

Adoption and Posting – This policy will be permanently posted in one or more places where all employees will have reasonable access to it.

XI. Employee Suggestions and Concerns

If you have an idea for improving the way we do things here at Skyway Water and Sewer District, please share it. It is always appropriate to share such ideas informally with your coworkers and/or supervisor. We also encourage you to write your suggestion and submit it to the General Manager.

It is our intent to try to do what is fair and reasonable at all times in our day to day relations with our employees. To that end, all employees, including supervisors, are urged to raise any and all work related concerns, whether it be a question or dispute regarding the interpretation or application of District personnel policies and procedures or other work related situations.

Please understand that not every suggestion, complaint or concern may be resolved to your satisfaction. Even so, the District believes that open communication is essential to a successful work environment and all employees should feel free to raise issues of concern without fear of reprisal. We all benefit when concerns are addressed and ongoing improvements are made to the District and its operations.

SKYWAY WATER & SEWER DISTRICT'S EMPLOYEE HANDBOOK

RECEIPT AND ACKNOWLEDGMENT

I have received a copy of Skyway Water and Sewer District's Employee Handbook, dated _____. I have the manual and its policies

I have also taken particular note of the policies titled "About Our Policies," "Employment At Will," "Equal Employment Opportunity," "Employees With Disabilities," "Harassment, Including Sexual Harassment," "Reporting Discrimination And Harassment," "Workplace Violence Prevention", "Reporting Workplace Threats or Acts of Violence" and "Substance Abuse". I understand that all of the District's, other than the ones identified in the preceding sentence, are subject to changes and exceptions without prior notice, at the District's discretion. I also understand that both the District and I are free to terminate my employment at any time, with or without cause or advance notice, and without compensation except for time actually worked.

Date: _____

Employee Signature

Employee Name (Please Print)

Please return the original of this form, bearing your signature, to the General Manager and please keep a copy for your records.