

RESPONSE TO REQUEST 6 (EXHIBIT D)

EMPLOYEE POLICY MANUAL

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Statement from the Board of Directors

The Board of Directors of **CFHWD, Whitley County, Kentucky**, is pleased to have developed this written policy statement concerning policies directly affecting the District's employees and their job satisfaction. The policy is in accord with the spirit and the letter of federal law spelled out in the Fair Labor Standards Act (FLSA) affecting public employees of local government entities.

The manual is a reference for both the employees of the Water District and for the management and Board of Directors. Of necessity such a manual cannot be entirely specific. There will be occasions when practical interpretation of personal policy may prevail.

Employees are employed on an "at will" basis meaning that either they or the Water District can terminate employment at any time. In addition, these policies are subject to change at any time without notice given due regard for the needs and expectations of the employees. It is not, in itself, binding on the Board of Directors and the Board reserves the right to make revisions on an as needed basis or in keeping with changes in state or federal law.

We believe, however, that the best interests of both the employee and employer are best served by having guidelines committed to writing.

Authority

One of the most important and most expensive resources that accrue to the Water District is its staff. Therefore, it is important that the Water District has clearly stated policies applicable to the wise management of its personnel.

The authority of the Board of Directors, this Chapter gives broad powers to the Board of Directors in establishing working conditions, salaries/wages and benefits for its employees.

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Statement of Employer's Rights

The Board of Directors shall retain certain specific rights and authority. The Board of Directors shall have sole authority in establishing goals and objectives, setting the mission of the Water District, and for providing for the needs and services of the Water District. The Board of Directors will delegate the right to the manager to: direct the work of employees; to hire, promote, demote, discipline, suspend, and dismiss employees for just cause; to release employees due to lack of work, financial constraints, or for other legitimate reasons with any layoff of employees being normally accomplished through natural attrition over a reasonable period of time giving due consideration to ability. The Board of Directors shall retain sole authority to establish and enforce rules and regulations; to change or modify methods, services, equipment or facilities in compliance with the Statutes of the State.

To avoid Nepotism, no relatives are to be hired by Management.

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Equal Employment Opportunity

It is the intent of the Water District to assure equal employment opportunity for all persons based on merit, without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, physical handicap or other non-merit factor.

The Board of Directors, being aware of the necessity of making a statement of policy as to equal employment opportunity do hereby issue the following order.

IT IS THEREFORE ORDERED by the Board of Directors Whitley County that equal opportunity in employment will be offered without regard to race, color, religion, sex, age, national origin, handicap (consideration must be given to physical ability in manual labor positions), political affiliation, or anything that might be construed as being discriminatory in the employment process no matter how insignificant it might appear.

IT IS FURTHER ORDERED by the Board of Directors that this policy of no discrimination will prevail throughout every aspect of employment and that all decisions for hiring shall be based solely upon everyone's qualifications for the position to be filled.

IT IS FURTHER ORDERED by the Board of Directors that all employee benefits, compensation and other personal actions will be administered without regard to race, color, religion, sex, age, national origin, handicap, political affiliation, or anything else that might be construed as discriminatory.

IT IS FURTHER ORDERED by the Board of Directors that this policy shall be enforced the same as any other policy of the Water District. Any attempt to thwart or circumvent this policy shall be the grounds for disciplinary action.

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Disabled Accessible Facilities

It is the intention of the Board of Directors to make the office facility accessible to the physically disabled and employees have been advised of the intention.

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Payroll Policy Procedure

Payroll for all employees of Cumberland Falls Highway Water District will be the 15th and 30th of each month. If the normal pay date should fall on a weekend or holiday, payroll will be done on the business day before the weekend or holiday. In the future, payroll may change to bi-weekly and you may be held back one pay period to get direct deposit set up.

Payroll will be calculated based on the time sheet that is kept by the employee. Work time will be recorded daily for each employee. The manager will record any PTO time. Each employee will review and sign their time sheet which will also be signed by the manager.

Payroll is based on 8-hour work day. Any hours worked over the regular 8-hour week day will be paid at time and half. There is a 30-minute Lunch that is unpaid and will be deducted for lunch breaks and the office will remain open.

Any employee who gets called into work on a holiday will receive 8 hours holiday pay at their regular rate of pay and time and a half for all hours worked during that holiday.

If any employee has scheduled PTO time off but gets called into work before 4:00p.m., PTO time will be used until the time they were called into work, regular work time will be paid from that time until 4:00pm and all time worked after 4:00pm will be paid at time and a half pay rate. This will also apply to any employee who gets called in when sick.

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Rules and Regulations

Internet Usage- Employees shall not use any of the computers at **CFHWD** for accessing the internet or email unless said use is in connection with their job duties and responsibilities for the district. There shall be no personal use of any **CFHWD** computer by the employee or any friends/family members of said employee. Failure to adhere to this policy will result in disciplinary action by the Board, which may include immediate termination.

Alcohol, Drugs- While during business hours or conducting **CFHWD** business consumption or possession is prohibited.

Wepons- While during business hours or conducting **CFHWD** business, possession is prohibited except for measures of security and approved by the Manager or the Board of Directors.

Attendance- Employees are responsible for being present each workday. Chronic or excessive absences and tardiness will be cause for disciplinary action including dismissal. Must have a doctor's excuse for even one day.

Disability Pay- Disability pay schedule to conform to Insurance Policy in force. Work related disability pay shall conform to the Worker's Compensation insurance policy in force.

Disciplinary Action- All employees are expected to devote their best efforts to performing their job responsibilities and are expected to follow Water District rules and regulations. If problems occur relating to Water District rules or regulations or work performance, disciplinary action may be taken by the Water District. Such action need not necessarily be progressive, and action consistent with the problem involved will be determined by the Manager or the Board of Directors.

The procedure set forth herein may, at the discretion of the Water District, be modified, altered or dispensed with depending upon the nature of the infraction and the situation at the time. The disciplinary procedures are intended to be a guide to employees only and shall not alter the right of management to make managerial and business decisions concerning the extent and duration of employment, benefits and all other employment related matters. The Water District reserves to itself all of its rights in this regard, including the right to terminate the employment relationship, as the employee retains the right to terminate the employment relationship, at any time.

Reasons for disciplinary action include but are not limited to the following:

1. The employee fails to satisfactorily perform the duties of the job.
2. Conduct or actions determined by the manager to be contrary to the best interest of the Water District.
3. Violation of the Water District rules, including:

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- A. Repeated absenteeism or unapproved tardiness.
- B. Failure to comply with Water District policy regarding safety and security.

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- C. Interfering with office discipline and efficiency.
- D. Unauthorized personal use of telephone.
- E. Making false, vicious, profane, or malicious statements concerning any employee, the Water District, or its products.
- F. Abuse of Disability Pay or Sick Pay or Sick Leave, including pregnancy.
- G. Holding other employment which interferes with satisfactory performance duties.
- H. Possession or use of alcoholic beverages or nonprescription drugs on Water District premise.
- I. Reporting to work under influence of alcoholic beverages or nonprescription drugs.
- J. Dishonesty, including, but not limited to, falsifying expense accounts.
- K. Engaging in any activity which represents a conflict in interest.
- L. Falsification or misrepresentation of the employment application or any other personal records.
- M. Removing Water District property or the property of others from the premises without proper authorization.
- N. Defacing, destroying or damaging Water District Property or the property of others.
 - O. Gaining or attempting to gain unauthorized access or use of the Water District computer system.
- P. Unlawful discrimination including sexual harassment.

Voluntary Termination- Any of the following actions on the part of the employee will be considered a voluntary termination unless a timely explanation satisfactory to the Water District is given. The approval of the Manager will be required before any action is taken to process the following voluntary terminations.

1. One day absence from work without notifying the Manager.

2. Walking off the job.
3. Failure to report at the end of the leave of absence.

Termination- A permanent full-time employee resigning or discharged after probationary period will receive regular salary up to the day of termination. In addition, any PTO pay accumulated will be reviewed.

Permanent full-time employees resigning or discharged for any reason during the probationary period will be paid only through the day of termination. Payment of PTO time will be determined.

Grievances- If any employee has a grievance or misunderstanding, in order to keep the lines of communication open, the pertinent facts should be reported immediately to the Manager and /or the Board of Directors. The Water District Management reserves the same privilege.

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WORKDAY/WEEK DEFINITION- The Water District operates with an eight-hour work day and regular work week consisting of 40 hours.

The normal work week for office hours is 8:00a.m to 4:00p.m. Monday through Friday, except for special circumstances. In those cases the hours of operation will apply to all personnel. Under no circumstances will the work week for a full-time employee be less than 7 1/2 hours, not including time off for breaks and lunch. 30-minute lunch breaks, other 10-minute breaks as needed, 10-minute breaks are not on schedule, just as needed.

Any deviation from established hours must be approved through the Manager.

Weekend on Call- Standby on call weekends and holidays shall be rotated among all employees designated by the Manager for such duties. Employees on call will carry a telephone and keep within range.

Office Closings- The Manager shall be the only authority to release any employees earlier than the regular closing hours of the office and its departments or to delay the regular time to report to work due to inclement weather or other severe conditions. The off for inclement weather office closings will be viewed as an excused absence. If the office is open the absence is unexcused.

PROBATIONARY PERIOD DEFINITION- All employees hired for permanent full-time employment with the district shall for the first three months of employment be on a probationary period.

PERMANENT FULL-TIME EMPLOYEE DEFINITION- All employees hired for a permanent position shall work no less than 37 1/2 hours per week to maintain full-time status.

EVALUATIONS- Evaluations shall be made by Water District Manager, for all permanent full-time employees annually. For new permanent full-time employee's review shall be within ninety days of employment.

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FUNERAL LEAVE- Funeral leave will be granted, at employee's regular rate of pay, to permanent full-time employees who are absent from work because of attending the funeral of a spouse, parent, grandparent, brother, sister, child, or grandchild or like relatives of the employee's spouse. The amount of the time shall be three days unless circumstance warrants more, which shall be determined by the Manager.

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HEALTH AND SAFETY- Employees of the District have the right to work in a safe environment and, in addition, should feel a responsibility to advise the Manager of any health conditions that may affect his/her work. If the employee is on medication or under a doctor's care for any reason that could affect the employee's operation of machinery, equipment, or other job duties, the employee must inform the supervisor and Manager. It is also the employee's responsibility to immediately report any injury (no matter how minor) to his/her manager,

in the same work shift in which the injury occurred. Failure to report a health or injury condition may subject the employee to disciplinary action.

HOLIDAYS- All full-time employees will be paid for the following holidays.

New Year's Eve	New Year's Day	Martin Luther King	
Good Friday	Memorial Day	Independence Day	Labor Day
Veteran's Day	Thanksgiving & Friday after	Christmas Eve & Christmas Day	

Holidays falling on Saturday will be observed on the preceding Friday and those falling on Sunday will be observed on the following Monday.

INSURANCE- The Water District will provide mandatory health insurance for all eligible permanent full-time District employees.

JURY DUTY- If an employee is called for jury duty, to attend court or to a coroner's inquest as a witness, the employee is to notify his/her supervisor immediately to allow for absence. All full-time employees called shall receive full pay from the district less any money or fees earned by the employee for serving in these capacities.

MATERNITY LEAVE- **CFHWD** pregnancy leave policy is no different than any other illness or injury covered for permanent full-time employees subject to the terms of the policy in force (refer to "Disability Pay"). As soon as pregnancy is confirmed, notification in writing must be delivered to the District Manager by the employee. The Manager will then assess the job requirements of the employee and determine if any alteration should be made as a result of the pregnancy. The employee's Manager should be advised once the pregnancy is confirmed of any job restrictions which may be needed throughout the pregnancy.

Within the first two weeks after delivery, the employee and their manager should discuss the employee's intention to return to full-time employment at the end of the leave. Whether or not the employee plans on returning to a full-time status does not affect, alter, or modify the benefits referred to under "Disability Plan". For the term of the disability, employees are expected to return to work as soon as they are no longer disabled.

MILITARY LEAVE : a MILITARY LEAVE OF ABSENCE WILL BE GRANTED TO ALL PERMANENT FULL-TIME EMPLOYEES TO ATTEND SCHEDULED DRILLS, TRAINING OR IF CALLED TO ACTIVE DUTY WITH THE U.S. FORCES.

OFFICE-SHOP POLICY: Any employee separating from employment of the Water District for any reason shall, prior to separation, return ALL district property, keys, equipment, office data and /or computer information and codes issued the employee. Failure to return District-owned property and equipment by date of separation or failure to return property and equipment in acceptable condition will result in the withholding of any compensation or benefits due the employee until such time as satisfactory agreements are met, and / or legal sanctions.

PAYDAY: All employees are paid on the 15th and 30th of each month. In the event that a regular scheduled payday falls on a holiday or weekend, employees will receive pay on the last day of work before the regular payday.

PERSONNEL RECORDS: CFHWD maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records. Files are property of CFHWD and access to the information they contain is restricted. Generally, only the manager, and the Board of Directors of CFHWD who have a legitimate reason to review information in a file are allowed to do so. Employees who wish to review their own file should contact the office manager. With reasonable advance notice, employees may review their own files in CFHWD office and in the presence of management. Office maintains this file of a locked office and cabinet.

SICK AND PERSONAL LEAVE: There will be ten days of PTO time per year, accrued at one day per month of employment for all permanent full-time employees starting on the first day of the month following the date of employment. The minimum amount that may be charged to PTO/personal leave is one hour with a maximum of eight hours per day. Leave not used during the 12-month period, January-December, WILL BE LOST. At time of termination, resignation, or retirement, PTO will be paid at the rate of ½ of the employee's regular salary/pay at the time. All PTO leave payments must be approved by the Manager. A written physician's evaluation may be required after 3 days of absence. This will include the nature and extent of the disability, or leave, as well as a probable date of return to work.

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Serialation of Duties- Due to the small size of the district's staff an ideal system of internal control cannot be achieved. Management and the Board of Directors are aware of this condition. In an attempt to better manage the internal control of the District, the Board of Directors strives to obtain as much segregation of duties as possible so that no one person has complete control over any type of financial transaction or decision affecting the district. In an attempt to maintain better control over the segregation of duties of the staff and to ensure proper employee morale, no employee of the district shall live or cohabit with any other employee of the district and no employee of the District shall be related with the 4th degree, by consanguinity or affinity without written consent of the board.

ACCEPTANCE OF POLICY

I have reviewed the Policy Manual and accept the guidelines outlines.

Signed _____

Date _____

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I acknowledge that I have not been discriminated against, sexually harassed or unlawfully harassed in any manner while employed by the **CFHWD**.

Signed _____

Date _____