



**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
PERSONNEL POLICY MANUAL**

**Trophy Club Municipal
Utility District No. 1
100 Municipal Drive
Trophy Club, TX 76262**

March 17, 2015

NOTICE TO EMPLOYEES

The policies set forth in this manual do not constitute a contract between the employer and any of its employees, but rather, are intended as guidelines for personnel administration.

**TROPHY CLUB MUNICIPAL UTILITY DISTRICT NO. 1
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TABLE OF CONTENTS	2
SECTION I: ADMINISTRATION	
1.1 POLICY MANUAL	5
1.2 AT WILL EMPLOYMENT	5
1.3 ORGANIZATIONAL CHART	6
1.4 SCOPE	6
1.5 ADMINISTRATION OF THESE RULES	6
1.6 SEVERABILITY	6
SECTION II: EMPLOYMENT & STANDARDS OF CONDUCT	
2.1 EQUAL EMPLOYMENT	6
2.2 CATEGORIES OF EMPLOYMENT	7
2.3 EMPLOYMENT	7
2.4 QUALIFICATIONS	7
2.5 APPLICATION FOR EMPLOYMENT	7
2.6 METHODS OF RECRUITMENT AND SELECTION	7
2.7 APPLICANT'S BASIS OF EMPLOYMENT	8
2.8 PERSONS WITH DISABILITIES	8
2.9 SELECTION	8
2.10 ORIENTATION PERIOD	8
2.11 PERFORMANCE EVALUATIONS	8
2.12 COMPENSATION ADJUSTMENTS	8
2.13 APPEARANCE	10
2.14 NEPOTISM	10
2.15 POLITICAL ACTIVITY	11
2.16 STANDARDS OF CONDUCT	11
2.17 FRAUD POLICY	11
2.18 OUTSIDE ACTIVITIES	13
2.19 GIFTS AND GRATUITIES	14
2.20 DISTRICT VEHICLE USE	14
2.21 EDUCATION POLICY	15
2.22 HEALTH AND SAFETY	15
2.23 TRAVEL AND REIMBURSEMENT POLICY	16
2.24 COMMUNICATIONS	17
2.25 DISCIPLINE- GENERAL	18
2.26 PROGRESSIVE DISCIPLINE	18
2.27 GRIEVANCE PROCESS POLICY	19
2.28 GRIEVANCE PROCEDURES	20
SECTION III: SEPARATIONS FROM EMPLOYMENT	
3.1 TYPES OF SEPARATIONS	22
3.2 RESIGNATION	22

3.3	RETIREMENT	22
3.4	REDUCTION IN FORCE	22
3.5	DISMISSAL	22
3.6	DISABILITY	22
3.7	DEATH	22
3.8	EXIT INTERVIEW	23
3.9	RETURN OF DISTRICT PROPERTY AT TERMINATION	23
3.10	TERMINATION PAY	23

SECTION IV: SUBSTANCE ABUSE POLICY

4.1	PURPOSE	23
4.2	POLICY	23
4.3	DEFINITIONS	24
4.4	SEARCHES	24
4.5	POST ACCIDENT DRUG TESTING	24

SECTION V: ON THE JOB INJURIES

5.1	INSURANCE	25
5.2	COMPENSATION	25
5.3	MEDICAL ATTENTION	25
5.4	REPORTING	25
5.5	RETURN TO SERVICE	25
5.6	BENEFITS	25

SECTION VI: PAY, OVERTIME, ABSENCES, LEAVE AND HOLIDAYS

6.1	HOURS OF WORK	26
6.2	PAYDAY	26
6.3	OVERTIME WORK AND PAY	26
6.4	ABSENCES WITH PAY	26
6.5	SICK LEAVE WITH PAY	27
6.6	VACATION	27
6.7	COMPENSATORY TIME OFF	27
6.8	HOLIDAYS	28
6.9	CIVIL LEAVE	28
6.10	MILITARY LEAVE	29
6.11	SPECIAL LEAVE OF ABSENCE	29
6.12	FAMILY AND MEDICAL LEAVE	29
6.13	EMPLOYEE ON CALL	32
6.14	BAD WEATHER	33

SECTION VII: EMPLOYEE BENEFITS

7.1	GENERAL	34
7.2	SOCIAL SECURITY	34
7.3	WORKERS' COMPENSATION	34
7.4	LIFE, MEDICAL AND DENTAL INSURANCE	34
7.5	LONG TERM DISABILITY	34

7.6	UNEMPLOYMENT INSURANCE	34
7.7	RETIREMENT BENEFITS	34
7.8	SERVICE AWARDS	34
7.9	PERFORMANCE AWARDS	34
7.10	EMPLOYEE FUND	35
7.11	LONGEVITY PAY	35
7.12	UNIFORMS	35

SECTION VIII: HARASSMENT

8.1	POLICY STATEMENT	35
8.2	EXAMPLES OF PROHIBITED UNLAWFUL HARASSMENT	36
8.3	SEXUAL HARASSMENT	36
8.4	PROCEDURE FOR REPORTING HARASSMENT	37
8.5	INVESTIGATING ALLEGED HARASSMENT	37
8.6	RETALIATION	38

SECTION IX: WORKPLACE VIOLENCE

9.1	GENERAL INFORMATION	38
9.2	DEFINITIONS	38
9.3	APPLICABILITY	38
9.4	RESPONSIBILITIES OF EMPLOYEES	39
9.5	RESPONSIBILITIES OF SUPERVISORS AND MANAGEMENT	39
9.6	RESPONSE TO INCIDENTS	39
9.7	DISCIPLINE	39

SECTION X: WEAPONS POLICY

10.1	GENERAL POLICY	39
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SECTION XI: EMPLOYEE RESPONSIBILITIES

11.1	CARE OF EQUIPMENT	40
11.2	HANDLING COMPLAINTS	40
11.3	PUBLIC RELATIONS	40
11.4	THE ADMINISTRATION AND ENFORCEMENT	41
11.5	PERSONAL TELEPHONE CALLS	41
11.6	CELL PHONE USAGE	41
11.7	INTERNET, EMAIL AND COMPUTER USE	41

APPENDICES

A	EFFECTIVE DATE	46
B	EMPLOYEE CERTIFICATION	47
C	DRUG AND ALCOHOL POLICY FOR CERTAIN DRIVERS OF COMMERCIAL VEHICLES	48

TROPHY CLUB MUNICIPAL UTILITY DISTRICT No. 1

PERSONNEL POLICY

SECTION I: ADMINISTRATION

1.1 POLICY MANUAL - This policy manual is designed to be the expression of Trophy Club Municipal Utility District No. 1 (the “District”) policies with respect to personnel. As such it is a changing document. The Board of Directors may revise, amend or delete portions of these policies as they see fit and as times change. Each amendment is dated showing the date the Board of Directors approved that particular change. When a new policy is put into effect, or an old one is revised, the pertinent page is removed from the manual and the revised page takes its place. Old revised pages will be retained in a master file in the human resource department.

All employees will go through an orientation of the policies and be asked to read the manual and return the receipt of policies Appendix B attesting to the fact that he or she has read it. When the Board of Directors makes a change in policy, new pages will be distributed to the employees of the District.

This policy manual is just one of the investments made in human resources. The intent of the manual is to provide rules, guidance, and structure governing employment. It is intended to be flexible enough to allow for change and to allow for individual management choices but also rigid enough to remove uncertainty from the major personnel issues facing the District.

These policies apply to all employees, including the General Manager, who has an employment contract with the Board of Directors to the extent that the policies do not conflict with the contract. The Board of Directors must approve any employment contract.

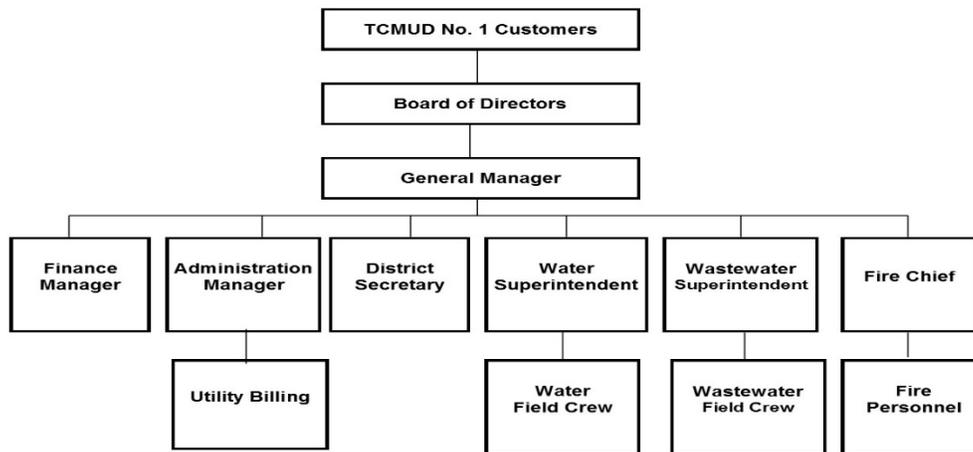
1.2 AT WILL EMPLOYMENT - Trophy Club Municipal Utility District No. 1 is an at-will employer. That means that once hired, an employee serves at the pleasure of the General Manager. Among other things, this means that just as any employee may leave employment at any time for any or no reason, with or without notice, so may the District terminate any employee at any time for any reason or no reason, with or without notice, except as limited by state and federal law. This also means that the following policies and procedures:

- are suggested guidelines;
- are subject to change with or without advance notice to employees;
- do not in any manner constitute the terms of an employment agreement, expressed or implied.

In summary, these policies do not in any way establish or imply any contractual rights as a part of any employee’s status with the District. The District’s Board of Directors are solely authorized to enter into contracts with employees.

1.3 ORGANIZATIONAL CHART

**Trophy Club Municipal Utility District No. 1
Organizational Chart**



1.4 SCOPE - This personnel policy is adopted by the Board of Directors and shall conform to, and not conflict with "Vernon's Texas Civil Statutes," Water Code, Title 128, Chapter 54; and/or such other State or Federal Statutes, Board of Director's Orders or Resolutions that fall within the scope of this policy.

1.5 ADMINISTRATION OF THESE RULES - The Administration Manager shall act for and on behalf of the Board of Directors in all personnel matters except as otherwise provided herein. The Administration Manager may submit recommendations to the General Manager for action or approval where deemed appropriate. The General Manager or such other designee shall be responsible for the proper and effective administration of this policy.

1.6 SEVERABILITY - The provisions of these policies are severable, and if any provision or part of a provision is held invalid, illegal, or unenforceable, this shall not affect the validity of the remaining provisions or parts of provisions, which shall remain in force and effect.

SECTION II: EMPLOYMENT & STANDARDS OF CONDUCT

2.1 EQUAL EMPLOYMENT OPPORTUNITY - It is the policy of the District to prohibit discrimination against any person in job structuring, recruitment, examination, selection, appointment, placement, training, upward mobility, discipline, or any other aspect of human resources administration based on race, age, religion, color, disability, national origin, or sex.

Human resources decisions will be made only on the basis of occupational qualifications and job-related factors such as skill, knowledge, education, experience, and ability to perform a specific job. The District prohibits retaliation or discrimination against any employee for opposing an unlawful or discriminatory employment practice, or for alleging or participating in an investigation of an allegation of discrimination.

2.2 CATEGORIES OF EMPLOYMENT - There are three categories of employment with the District.

- A. REGULAR FULL TIME** - A regular full-time employee is a position that involves, on the average, 40 work hours per week and that is expected to last at least six (6) months. Regular full-time employees may be either hourly or salaried and are eligible for all District benefits after benefit requirements are met.
- B. REGULAR PART TIME** - A regular part-time employee is a position that involves, on the average, 20 or less work hours per week and that is expected to last at least six (6) months. Part-time employees are paid on an hourly basis and are not eligible for benefits except for participation in the District's retirement plan (TCDRS).
- C. TEMPORARY** - A temporary employee is an employee hired to work for a period expected to last less than six months. Temporary employees may be part-time or full-time and are not eligible for District benefits.

2.3 EMPLOYMENT - Proposed additions or deletions to the currently approved Organizational Chart, along with justification shall be submitted to the Administration Manager. The Administration Manager will submit recommendation on the proposed changes to the General Manager for approval.

The General Manager or Administration Manager, with designation by the General Manager, shall be responsible for filling vacancies. The Board of Directors shall be responsible for filling the position of General Manager.

2.4 QUALIFICATIONS - The General Manager establishes job descriptions that set forth the minimum required knowledge, skills, and abilities for each staff position and the acceptable levels of experience and training for each position.

2.5 APPLICATION FOR EMPLOYMENT - All persons seeking employment will be required to fill out an official District application in addition to other required documents. The intentional presentation of false information in the application may result in the application being rejected or employment termination. The District accepts applications for open positions only and will retain these applications in accordance with the District's Records Retention Policy. Employment applications and other information submitted to the District is subject to the requirements of the Texas Public Information Act and may be public information.

2.6 METHODS OF RECRUITMENT AND SELECTION - The District has four methods of filling vacancies:

- Promotion from within;
- Lateral transfer from within;
- Announcement and competitive consideration of external and internal applications for employment; or
- Selection from a current applicant pool.

The General Manager determines the method to be used in filling each vacancy.

2.7 APPLICANT’S BASIS OF EMPLOYMENT - To be considered for regular employment by the District an applicant must be at least 18 years of age and, if required for job performance, possess a valid Texas driver’s license and insurable driving record. An applicant’s ability to perform satisfactorily in any given position may be based on:

- Information provided in the official district application form as well as information obtained from the references provided by the applicant.
- Information obtained from a post-employment-offer physical examination and drug screening conducted by a qualified physician and paid for by the District.
- Information obtained from a background check conducted and paid for by the District.

2.8 PERSONS WITH DISABILITIES - It is the policy of the District to make its employment application process, employee activities, working environment, employee benefits, employee training, and employee advancement process accessible to persons with disabilities and to make reasonable accommodations in compliance with the Americans with Disabilities Act (ADA) to a qualified individual with a disability who is an applicant or employee unless that accommodation will place an undue hardship on District finances or operations.

2.9 SELECTION - Vacancies on the District staff will be filled by promotion, transfer or initial appointment consistent with the District’s goal of hiring the most qualified individuals.

2.10 ORIENTATION PERIOD - Every person appointed or transferred to a regular position in the employment of the District shall be required to successfully complete an orientation period of six months. At the end of the orientation period, a performance evaluation will be performed and presented to the employee. A minimum score of “meets expectations” is required for continued employment with the District.

2.11 PERFORMANCE EVALUATIONS - Each employee will receive at least one performance evaluation each fiscal year. Supervisors will evaluate their employees and review the evaluations with the General Manager prior to presentation to the employee. Management staff will be reviewed by the General Manager. The General Manager will be reviewed by the Board of Directors. As part of the evaluation, self-appraisal is encouraged.

2.12 COMPENSATION ADJUSTMENTS - The compensation of employees may be adjusted by Salary/Hourly Wage Adjustments, Cost of Living Adjustments (COLAS) and/or Merit Increases.

After considering the financial condition of the District, as well as probable changes in the operating budget for the coming fiscal year, the Administration Manager will make a recommendation for the COLA and Merit budget. The recommendation will be presented to the Board for approval annually during the budgeting process.

A. COLAS - If adopted by the Board, such adjustments will be awarded to all District employees. The adjustments will become effective as of the first full pay period of the next fiscal year. Employees shall not be eligible for COLA increases until having successfully completed at least six months of employment by the District and only if funds are budgeted and available

B. MERIT INCREASES - All merit increases will become effective as set by the General Manager with the exception of the merit increase for the General Manager which will be set by the Board of Directors.

1. Supervisors may recommend merit increases for individual employees under their supervision to the General Manager. The General Manager has approval authority.
2. The General Manager may recommend merit increases for management staff.
3. The Board may consider a merit increase for the General Manager and set the effective date.
4. Employees are not eligible for a merit increase unless their latest overall performance evaluation is “meets expectations” or better.
5. Additionally, all merit increases are at the discretion of the General Manager.
6. Employees are not eligible for a merit increase until having successfully completed six months of employment and only if funds are budgeted and available.

C. PROMOTIONS - Promotions may be recommended by managers to the General Manager. The General Manager has approval authority for such promotions. Any promotions made to a Supervisor or Management position will be made by the General Manager.

D. NEW HIRES - Salary increases may be given after a satisfactory performance evaluation with approval from the General Manager.

E. EMPLOYEE CERTIFICATION ADVANCEMENT INCENTIVE - As part of its Education Policy, the District provides tuition, expenses, and paid leave to attend certain approved educational classes. These classes should improve individual competence and performance as they apply in routine job activity which will increase the employees’ value to the District.

1. Water/Wastewater - If classes, experience, and testing are required by the Texas Commission on Environmental Quality and the end result is certification or advancement in certification, staff are eligible for incentive pay with the approval of the General Manager. The incentive pay applies only to water, wastewater, collection, or distribution certification levels as set forth below.

Certification Level:

TCEQ

Class D Water or Distribution \$25 Monthly

Class C Water or Distribution \$50 Monthly

Class B Water or Distribution \$75 Monthly

Class A Water or Distribution \$100 Monthly

Class D Wastewater I or Class I Collection \$25 Monthly

Class C Wastewater or Class II Collection \$50 Monthly

Class B Wastewater or Class III Collection \$75 Monthly

Class A Wastewater or Class IV Collection \$100 Monthly

CSI \$25 Monthly

BPAT \$25 Monthly

Other

Plumbing Inspector \$50 Monthly

2. Customer Service – The Texas Water Utilities Association has developed training that can result in qualifying for a customer service certification. Staff who qualify for this certification are eligible for consideration of a pay increase as set by the General Manager.
3. To receive incentive pay, an employee must utilize the license in their routine work activities.
4. Employees that receive incentive pay are required to maintain a current and valid license to continue to receive incentive pay. It is the employee’s responsibility to ensure that all licenses are current and renewed when required. If a license for which an employee is receiving a pay incentive expires or is revoked the employee shall inform the General Manager before the end of the pay period in which the license expired. The employee will lose any incentive pay associated with the license that expired. If the license is a requirement of the employee’s job description, failure to maintain the license will result in termination
5. Failure by an employee to notify the General Manager of the expiration of a license for which the employee is receiving incentive pay will result in disciplinary action. If the license is a requirement of the employee’s job description, failure to maintain the license will result in termination.

2.13 APPEARANCE - All employees are expected to maintain a neat and clean personal appearance. Standards of dress shall be according to the District’s needs and policies. Employees that are provided uniforms by the District are required to wear the uniform during working hours unless prior permission is granted by the General Manager. Employees are not to wear uniforms when not at work. Uniforms shall be supplied to employees in accordance with Section 7.12 of this policy handbook.

2.14 NEPOTISM (Employment of Relative) - No person related within the third degree by Consanguinity (blood) or within the second degree of Affinity (marriage) to any of the following persons will be appointed to or employed by the District:

- Any employee of the District
- Any employee of the Town of Trophy Club
- The General Manager
- Member of the Board of Directors,
- Member of the Trophy Club Town Council.

2.15 POLITICAL ACTIVITY - District employees are encouraged to vote and to exercise other prerogatives of citizenship consistent with state and federal law and these policies.

A District employee's political activity, not in violation of this section, shall not be considered in determining his or her compensation, eligibility for promotion or demotion, work assignment, leave request, or in applying any other employment practices to the employee.

Employees are prohibited from engaging in political activities while on duty and/or while in District uniform. Additionally, employees are prohibited from using District resources for political activities.

2.16 STANDARDS OF CONDUCT - Employees must adhere to high standards of public service that emphasize professionalism, courtesy, and avoidance of even the appearance of illegal or unethical conduct. Employees are required to carry out efficiently the tasks assigned as their responsibility, to maintain good moral conduct, and to do their part in maintaining good relationships with their supervisors and fellow employees, the public, contractors, and officials. Failure to maintain a professional attitude with supervisors, co-workers, contractors, officials, and/or the public is grounds for termination.

2.17 FRAUD POLICY - The District's fraud policy was established to facilitate the development of controls which will aid in the detection and prevention of fraud for Trophy Club Municipal Utility District No. 1 (the "District"). It is the intent of the District to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

A. SCOPE - This policy applies to any fraud, or suspected fraud, involving employees, Directors, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the District. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the District.

B. GENERAL - Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. No employee is to comment to or speak with the media regarding suspected fraud unless expressly authorized to do so by the General Manager or the Board of Directors. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her deceit.

1. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.
2. Any fraud that is detected or suspected must be reported immediately to the General

Manager, who coordinates all investigations with the Board of Directors and Legal Counsel and other affected areas, both internal and external.

3. In cases of suspected fraud by the General Manager, a complaint should be given directly to the President of the Board.
4. In cases of suspected fraud by a member of the Board of Directors, a complaint should be given to the General Manager who will report directly to District's legal counsel.

C. ACTIONS CONSTITUTING FRAUD - The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to or representing the District
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of District activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the District
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services and/or materials to the District. Exception: Gifts less than \$25 in value.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

D. INVESTIGATION RESPONSIBILITIES - The General Manager has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy unless he/she is suspected of fraud. In such case, the Board of Directors shall have the primary responsibility for investigation. If there is an investigation of suspected fraudulent activities, the General Manager will issue a report to the Board of Directors. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the Board of Directors as will final decisions on disposition of the case.

Every employee of the District is required to report any suspicion of fraud to their immediate supervisor or any member of District management including the General Manager. Failure to report may result in disciplinary action up to and including termination.

E. CONFIDENTIALITY- The District treats all information received confidentially to the extent allowed by law. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

F. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD - Members of the Investigation Unit will have:

1. Free and unrestricted access to all District records and premises, whether owned or rented;
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on District premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

G. REPORTING PROCEDURES - Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

1. An employee who discovers or suspects fraudulent activity will contact the General Manager immediately, unless the suspected fraud involves the General Manager, in which case the President of the Board should be contacted.
2. Any employee who suspects dishonest or fraudulent activity will notify the General Manager immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.
3. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to Legal Counsel through the General Manager.
4. No information concerning the status of an investigation will be provided without expressed authorization.
5. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.
6. The reporting individual should be informed of the following:
 - a) Do not contact the suspected individual in an effort to determine facts or demand restitution.
 - b) Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Board of Directors, General Manager, or Legal Counsel.

2.18 OUTSIDE ACTIVITIES - Employees may not engage in any outside employment, including self-employment, determined by the General Manager (1) to be inconsistent or incompatible with employment with the District; or (2) to affect the employee's job performance adversely.

An employee must have the advance approval of the General Manager to engage in any outside employment, including self-employment. The General Manager must have the approval of the Board of Directors for any such outside employment, including self-employment.

If a District employee is injured on the job in the course of employment outside of his or her employment with the District, the employee cannot file a workers' compensation claim against the

District for benefits related to the injury, regardless of the fact that the General Manager may have authorized the outside employment.

2.19 GIFTS AND GRATUITIES

- A.** District employees shall not accept any form of a gift where it is evident that the purpose of the gift is to influence the outcome of District affairs.
- B.** District employees shall not accept any gift valued at more than \$25.00 from any person who falls in the following categories:
 - Persons or entities subject to inspection, license or permit issued by the District.
 - Persons or entities that are seeking or who hold contracts, purchase orders or other business interests with the District.
 - Persons or entities that have claims or litigation pending against the District, including legal counsel who represent the claimants or litigants.
 - Persons or entities that stand to profit or receive an advantage from any District action.
- C.** “Gift” is defined as any benefit received by an employee, including but not limited to goods, services, money, lodging, transportation, discount, rebate, or any form of compensation that can be considered an economic gain.
- D.** Exceptions to this policy include gifts received solely from relatives and exceptions approved by the District’s Board of Directors where it is determined that the District stands to benefit by having an employee attend an event sponsored by an agency conducting business with the District.

2.20 DISTRICT VEHICLE USE - District vehicles will not be used for other than District business except with the express permission of the General Manager. No unauthorized person shall drive a District vehicle or be a passenger in a District vehicle. Authorized person include employees of the District, elected officials of the District, consultants of the District, or others expressly authorized by the General Manager. District vehicles are subject to the requirements of the District’s Safety Policy. Failure to follow the guidelines of the District’s Safety Policy regarding vehicle use may result in disciplinary action up to and including termination.

- A.** On-call employees may be allowed to take home a District vehicle so they may respond to a call as rapidly and safely as possible. The designated employee must be the only driver of the District vehicle.
- B.** If an on-call employee calls in sick, the on-call vehicle must be returned as soon as practical to the District, or other arrangements must be made at the discretion of the supervisor.
- C.** If the employee is involved in an accident while operating a District vehicle, the employee must:
 - Take pictures of incident and all vehicles involved.
 - Notify the proper law enforcement authorities immediately.

- Remain at the scene of the accident until law enforcement officers investigate.
- Within one hour of an incident, the employee must report the accident, no matter how small, to their immediate supervisor.
- Within one hour of an incident, the employee who was involved and any other District employees who witnessed the incident must fill out an incident report and present it to the Administration Manager.
- Submit to alcohol and/or drug testing if requested.

D. Vehicle accidents can subject the employee to disciplinary measures at the discretion of the General Manager.

E. Any employee who operates a privately-owned vehicle while conducting official District business must maintain personal liability insurance in accordance with state law.

2.21 EDUCATION POLICY - Trophy Club Municipal Utility District No. 1 encourages all employees to improve their value to the District and their self-worth through continuing education. To this end the District supports employee training.

A. Employees may, upon written approval from the General Manager, obtain special leave with pay for short-term job related education.

1. Tuition for this education may, at the discretion of the General Manager, be paid for by the District.
2. Employees will not be compensated (overtime) for classes taken after normal working hours.
3. Expenses related to approved attendance will be paid by the District when properly documented.
4. Reimbursable expenses include auto mileage at the IRS allowed rate, meals at actual cost and overnight lodging when required.
5. Reservations will be made by office staff or the supervisor. Advances may be made for these expenses.

B. All certificates of completion must be submitted to the District Office immediately following the training to be placed in the employee's personnel file.

2.22 HEALTH AND SAFETY - It is the policy of the District to make every effort to provide healthful and safe working conditions for all of its employees.

A. EMPLOYEE RESPONSIBILITIES AND REPORTS

1. Employees are responsible for conducting their work activities in a manner that is protective of their own health and safety, as well as those of other employees.
2. An employee must report every job-related accident, no matter how minor, to his or her supervisor within one hour of the incident. This includes vehicle accidents and any other type of accident that results in damage to a vehicle, equipment, property or personal injury. The employee is responsible for filing a written accident report within one hour of the incident with the Administration Manager. This report is then

reviewed by the supervisor and General Manager. If the employee is physically unable to file the report, the supervisor must file the report on behalf of the employee.

3. Failure to report a job-related injury, no matter how minor, is grounds for disciplinary action.
4. Employees must report any unsafe conditions or equipment to their supervisor. Do not let any employee do a job they do not know how to do safely. Obey all instructions and warning signs. Never disable safety devices/guards. A clean work area makes for a safer and more pleasant place to work. Employees are expected to help keep their surroundings as neat and orderly as possible. Safety equipment is made available. Employees are expected to make use of such equipment at all times when doing work for which the equipment is furnished.
5. All field employees will wear their uniform shirts and foot wear provided by the District when on duty. Uniform trousers will be provided and worn during working hours.
6. An employee shall report to his or her immediate supervisor any conditions that, in the employee's judgment, threaten the health and safety of employees or visitors.
7. Employees are encouraged to make suggestions to their supervisors for improvements that would make the District a safer or more healthful place to work.

B. SMOKING - Smoking and the use of tobacco products is prohibited except in designated areas.

2.23 TRAVEL & REIMBURSEMENT POLICY AND PROCEDURE

A. GENERAL - The policy of the District is that employees are to be fully reimbursed for necessary and reasonable job-related expenses incurred in the authorized conduct of District business. All requests for reimbursement of expenses are subject to requirements of documentation and reasonableness, and will be honored in conformance with adopted policies and procedures.

B. REIMBURSABLE EXPENSES

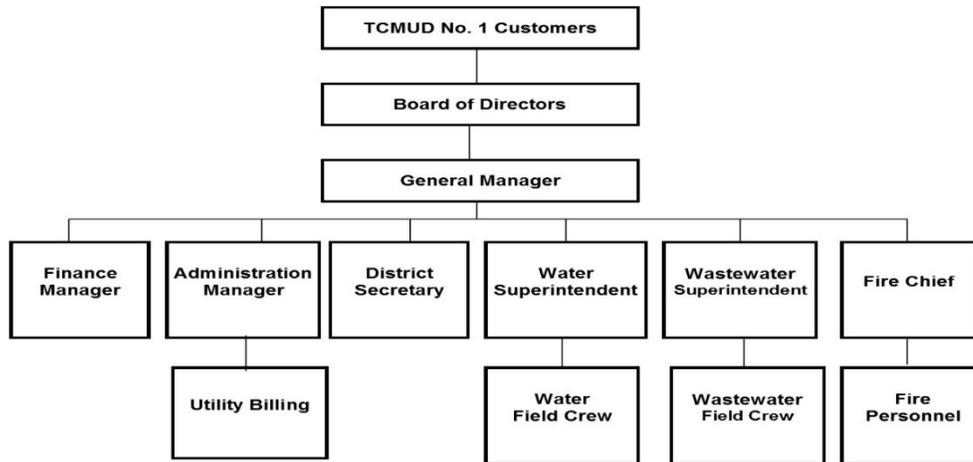
1. All District paid employee travel must be on necessary District business, the details of which shall be approved in advance by the General Manager.
2. Expenses reimbursed to employees shall be only for necessary and reasonable actual costs as verified by expense receipts which indicate the date, vendor, explanation and itemization of expenses, and a list of all persons covered.
3. When receipts are not available, a written statement will be provided containing the information in B.2 above, as well as the reason why a receipt was not submitted.
4. The following expenditures are not reimbursable expenses:
 - Personal employee or family expenses
 - Sports and entertainment fees
 - Donations and contributions
 - Alcoholic beverages
 - Any other expenditure not reasonably related to and necessary for the efficient

conduct of District business.

5. When approved in advance by the General Manager, employees shall be paid mileage for personal vehicles at current IRS rate. Employees must provide evidence of liability and property damage insurance prior to such use.
6. During emergency situations, when time cannot be taken for breaks, the General Manager may authorize meal reimbursements for affected employees.
7. The General Manager and other members of management are encouraged to attend annual conventions, seminars and other meetings concerning the operation of Water Districts.
8. The General Manager may authorize attendance at a training session, seminar, or other schooling to benefit work performance and/or add to certification for higher licensing grade. If this schooling requires overnight housing and travel expense, the following expenses will be paid by the District:
 - Registration fees
 - Mileage if personal vehicle is used.
 - Employee's lodging expenses
 - Per Diem for meals
 - Airfare if applicable
9. All expenses may be paid in advance; however, all expenses must be verified with receipts or invoices which indicate the date, vendor, and explanation of expenses after return to work.
10. Employees are required to return the same day the meeting is over unless distance or meeting time is too extensive.
11. All employee reimbursements must be approved and signed by the immediate supervisor before payment can be made

2.24 COMMUNICATIONS - All Communications should follow the lines of organization as outlined in the following organization chart.

Trophy Club Municipal Utility District No. 1 Organizational Chart



Matters that involve the District's policy, operations and organization are brought before the Board of Directors by the General Manager or by a person designated to do so by the General Manager.

Communication with the public about the District's business or problems is the responsibility of the General Manager. Employees are to refer the public to the General Manager if a question is non-routine, controversial, or outside to the scope of the employee's normal duties. Employees may, from time to time, be given directions from persons other than their immediate supervisor. (i.e. Administration Manager, Water Superintendent, Wastewater Superintendent, General Manager.) In such cases, the employee must immediately notify his or her immediate supervisor about the direction, its purpose and the relevant facts of the situation.

2.25 DISCIPLINE-GENERAL - Employees of the District serve at will and can be dismissed at any time, with or without notice, for any reason or no reason. Some of the actions that may result in disciplinary steps include, but are not limited to, the following:

- Continued refusal to comply with the proper order of an authorized supervisor.
- Misappropriation of District property.
- Unauthorized destruction of District property.
- Unwillingness or inability to perform adequate quantity and/or quality of work.
- Absence without leave including absence without authorization, tardiness or early departure, and/or absences.
- Endangering the safety of the employee and/or other persons through negligent or willful conduct.
- Failure to follow District's Drug & Alcohol Policy while on duty, in a District vehicle, or using District equipment in a manner, which may affect the performance or safety of the

employee or other persons.

- Failure to follow District's Workplace Violence and/or Weapons Policy
- Unauthorized use of District funds or property.
- Conviction of a felony, official misconduct, oppression, or perjury
- Falsification of documents or records.
- Unauthorized use of official information or unauthorized disclosure of confidential information.
- Failure to maintain the confidentiality of the District or its customers.
- Unauthorized or abusive use of authority.
- Violation of the harassment policy.
- Incompetence or neglect of duty.
- Disruptive behavior.
- Unprofessional behavior
- Failure to Observe the District's Policies Regarding Communications with the Public
- Other violations of any of the requirements of this personnel policy manual and/or Safety Manual

2.26 PROGRESSIVE DISCIPLINE - The General Manager or his/her designee may take disciplinary action, including termination, against an employee at any time. The District may, but not necessarily will, use a progressive discipline system. While the disciplinary steps may not occur in this order or occur at all, progressive discipline includes, but is not limited to, any or all of the following:

- Warnings, with records of each warning maintained in the employee's personnel file;
- Conference with Supervisor and General Manager, and Employee, with a written summary of the conference, prepared by the supervisor, one copy of which is given to the employee, and another copy of which is placed in the employee's personnel file;
- Written Reprimands, with records of each reprimand maintained in the employee's personnel file and a copy provided to the General Manager;
- Probation (not to exceed 90 calendar days), during which time the employee's performance and behavior will be monitored very closely by the supervisor;
- Reduction in Pay without demotion;
- Suspension from duty, with or without pay, for up to 30 days and renewable after informal review of the circumstances;
- Demotion; and/or
- Separation by involuntary dismissal.

Disciplinary actions other than oral or written warnings require the advance approval of the General Manager unless an emergency situation exists. Disciplinary action will be documented and included in the employee's personnel file.

2.27 GRIEVANCE PROCESS POLICY - The District recognizes that every employee has the right to be treated fairly in matters arising from employment; that each employee should have the opportunity to be heard fully any time his or her right to fair treatment has been violated; and that a

Carefully designed grievance process can help to reduce personnel dissatisfaction, increase morale, identify problems in the organization and increase the positive perception employees have of their employment. Therefore, whenever any employee believes that he/she has been treated unfairly with regard to the terms and conditions of his/her employment, he/she may initiate proceedings as specified in this policy in order to resolve those matters.

It is the policy of the District, insofar as possible, to prevent the occurrence of grievances and deal promptly with those which occur.

A grievance may be filed by an employee on one or more of the following grounds:

- Improper application of rules, regulations, and procedures (but not the rules, regulations, and procedures themselves);
- Unfair treatment;
- Illegal discrimination based on race, religion, color, sex (including sexual harassment), age, disability, or national origin;
- Improper application of fringe benefits;
- Improper working conditions.

A temporary employee may express a grievance orally or in writing to his or her supervisor who will hear the grievance and attempt to resolve it. The supervisor's decision is final unless the matter relates to alleged harassment or discrimination, which is governed by Section 2.28 D below.

2.28 GRIEVANCE PROCEDURES

A. CONDITIONS AND LIMITATIONS

1. The grievance procedures set forth in this policy are applicable only to regular employees.
2. The District retains the right under applicable laws and regulations to direct employees in the performance of their duties; to take the necessary means to achieve the proper ends under emergency situations; and to hire, promote, transfer and assign employees as well as to suspend, demote, discharge or take disciplinary action against such employees.
3. The scope of the employee grievance must:
 - a) Clearly define the situation in question through a written allegation of the specific wrongful act or situation, the harm done and the facts upon which it is based;
 - b) Arise out of an act or failure to act that directly relates to the working conditions of the eligible employee or to the employee's employment relationship;
 - c) Define a matter within the control of the District; and
 - d) State such relief sought that is within the power of the District to grant.

B. GRIEVANCE PROCEDURE - The grievance procedure consists of three steps for appeal, each of which must be utilized in turn.

1. Step One - Immediate supervisor. An employee who believes that elements of his/her working environment are unsatisfactory and can be made more effective shall take the following measures:
 - a) Discuss the specific problem with his/her immediate supervisor. A problem that results from a specific event or action must be presented within seven business days. The supervisor must meet with the employee within ten business days of employee's request. The supervisor's decision regarding the matter shall be rendered in writing to the employee within seven business days following the conference.
 - b) If the problem cannot be resolved through the conference and/or the employee wishes to document the grievance for further action, he/she may submit a formal written grievance to the Administration Manager within seven business days after receipt of supervisor's response.
2. Step Two – Administration Manager. Grievances submitted to the Administration Manager shall be in writing. The grievance must:
 - a) be submitted within 7 business days following receipt of supervisor's response;
 - b) include a copy of the immediate supervisor's decision and justification;
 - c) specify the employee's grievance and the specific remedy requested;
 - d) provide a reason why the response received by the employee is unacceptable.
 - e) The Administration Manager shall review the documentation and determine if the supervisor's decision shall stand. The Administration Manager's decision shall be provided in writing to the employee by the tenth business day after receipt.
3. Step Three - General Manager. If the matter is not satisfactorily resolved in step two, the problem may be presented in writing to the General Manager, together with a copy of all the preceding responses, within seven business days following the Administration Manager's response. The General Manager shall meet with the affected employee. The General Manager will provide a written response to the grievance by the tenth (10th) business day after meeting with the employee. The General Manager's decision is final.
4. Written Responses to Grievances - Written responses to grievances shall include the following:
 - a) Notation of the time, date and person who received the grievance.
 - b) Analysis of the facts or allegations in the grievance.
 - c) Affirmation or denial of the allegations.
 - d) Identification of the remedies or adjustments, if any, to be made.
5. Time Limits - If a grievance is not processed by the aggrieved employee within the specified time limits provided in this policy, the grievance shall be considered void. If the District fails to process a grievance within the time limits specified, the employee may initiate action by proceeding to the next step. However, employees are

encouraged to make a reasonable attempt to determine the reason for the delay.

6. Time Extensions - All times specified in this procedure are subject to scheduled vacations, sick leave or other authorized leave necessary for the proper conduct of the District's business. Additionally, involved parties may request one extension not to exceed seven days by providing written notice to the other parties prior to the expiration of the time limit established for that step.
7. Withdrawal of Grievance - At any time during the grievance process, the employee may withdraw the grievance by making written notification of the withdrawal available to all parties involved in the grievance process.
8. Coordination of Grievance Procedures - The District's Administration Manager shall coordinate grievance procedures as established within these guidelines. He/she shall also be responsible for maintaining and controlling all records relating to grievances in a manner that will ensure their confidentiality; and submitting a summary report to the General Manager.
9. The General Manager's decision is final unless the allegation is against the General Manager; in which case the employee may appeal to the Administration Manager who will refer the grievance to the Board of Directors.

C. GRIEVANCE INVOLVING GENERAL MANAGER – If the grievance involves an allegation against the General Manager, the employee may file the initial grievance directly with the Administration Manager.

D. GRIEVANCE RELATING TO HARASSMENT OR DISCRIMINATION - If the employee's grievance is related to alleged sexual harassment or discrimination on the basis of race, religion, color, sex, national origin, age, or disability, then the initial written grievance may, at the employee's option, be submitted directly to the General Manager, or to the Administration Manager if the General Manager is the subject of the grievance. In such an instance, to allow adequate time for investigation of the allegations, the General Manager or Administration Manager will respond in writing to the formal grievance by no later than the close of the 30th working day following the day on which the formal grievance was received.

SECTION III: SEPARATIONS FROM EMPLOYMENT

3.1 TYPES OF SEPARATIONS - All separations of employees are designated as one of the following types:

- Resignation
- Retirement
- Reduction in Force
- Dismissal

- Disability
- Death

All separations will be documented in the employees personnel file.

3.2 RESIGNATION - The District requires that an employee who intends to resign provide his or her supervisor with a minimum of two weeks advance notice of the resignation. Failure to provide the required notice will result in the loss of accrued vacation benefits. The supervisor shall immediately notify the Administration Manager.

3.3 RETIREMENT - A 30 day notice is requested for retirements.

3.4 REDUCTION IN FORCE - An employee may be separated when his or her position is eliminated.

3.5 DISMISSAL - All employees are employed at-will and may, at any time during their employment, be terminated with or without cause, for any reason or no reason.

3.6 DISABILITY - In cases of long-term disability where an employee is unable to return to work for a period of time, which would cause an undue hardship to the District to hold the position open, and if no position is available which the employee could perform with a reasonable accommodation by the District, the employee will be separated from employment with the District.

3.7 DEATH - If a District employee dies, his or her estate receives all pay due and any earned and payable benefits as of the date of death.

3.8 EXIT INTERVIEW - Upon separation from employment, an exit interview may be conducted by the Human Resources Manager. The exit interview will document any comments the employee may have regarding employment with the District.

3.9 RETURN OF DISTRICT PROPERTY AT TERMINATION - If an employee's employment terminates for any reason, the employee is required to return all District property within five (5) business days. This includes credit cards issued by the District, keys, identification cards, issued by the District, uniforms, pagers, cellular telephones, vehicles, and any other District property. The employee's final paycheck will not be issued until all property is returned or until the employees signs to have the replacement cost of any item deducted from their final paycheck.

3.10 TERMINATION PAY - Any employee whose employment is involuntarily terminated will be paid within six (6) days after termination.

SECTION IV: SUBSTANCE ABUSE POLICY

4.1 PURPOSE - The purpose of this section is to protect the health and safety of the District employees, the public and District property. Use and misuse of alcohol or drugs can and does impair

the ability of an employee to perform his or her duties and may endanger the employee, coworkers, and the public, as well as property. The District seeks to prevent the use, abuse, or misuse of drugs and alcohol by employees in any way, which impairs their ability to perform their duties. For positions that require a commercial driver's license, see Appendix C.

4.2 POLICY - The following policy has been adopted to implement the District's desire to establish itself as a Drug-Free Workplace. In all instances where reference is made to alcohol, drugs, or other controlled substances, the references include inhalants.

- A. All employees of the District are notified that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace of the District. In addition, the District prohibits employees from being under the influence of alcohol, drugs, or inhalants in the workplace or while on duty for the District. Employees who violate this policy are subject to immediate dismissal. Trophy Club Municipal Utility District No. 1 has a zero tolerance policy regarding drug and alcohol use at work.
- B. Pre-employment drug testing is a requirement for persons offered employment with the District.
- C. Drug and Alcohol testing for reasonable suspicion may be used by the District as well as post-accident testing in cases where there is property damage or physical injury.
- D. Random drug testing and post-accident testing are required for all positions that require a commercial driver's license.
- E. Each employee of the District will abide by the terms of this policy and will notify the District of any drug statute conviction for a violation no later than five days after such conviction. An employee so convicted is subject to disciplinary action up to and including immediate discharge.
- F. Any employee who has reasonable suspicion that another person is at work under the influence of drugs or alcohol must report to their supervisor, Administration Manager or General Manager immediately. Failure to do so may lead to disciplinary action.
- G. The District will make a good faith effort to continue to maintain a drug-free and alcohol-free workplace through the implementation of this policy.

4.3 DEFINITIONS

- A. **WORKPLACE** - All District property and premises including buildings, facilities, land, vehicles, equipment, desks, closets, lockers, and parking lots owned or leased by the District as well as any place where an employee goes while on duty for the District.
- B. **CONTROLLED SUBSTANCE** - Any substance categorized as Marijuana (THC Metabolite), Cocaine, Amphetamine, Opiate (including Heroin), and Phencyclidine (PCP).

C. DRUG - A drug is any chemical substance that produces a physical, mental, emotional or behavioral change in the user, including inhalants.

D. UNDER THE INFLUENCE - The state of not having the normal use of mental or physical faculties resulting from the voluntary introduction of alcohol, controlled substances, or other drugs, including prescription drugs and inhalants.

4.4 SEARCHES - The District reserves the right to make general or random searches of District property, such as lockers, closets, and desks for alcohol, prohibited drugs, or drug paraphernalia without the consent of the employee. The use of privately owned padlocks or other locking mechanisms for District property is prohibited.

Any materials brought into the workplace, such as personal effects, briefcases, vehicles, and so on, may be subject to search at any time if a reasonable suspicion exists that alcohol, prohibited drugs, or drug paraphernalia may be found.

Any search will be conducted as privately as possible, involving only persons with a need to know, and only with the authorization of the General Manager, or his or her designee.

4.5 POST ACCIDENT DRUG TESTING- Any employee involved in an on-the-job accident or injury must immediately submit to a drug and/or alcohol test. “Involved in an on-the-job accident or injury” means not only the individual who was injured, but also any employee who potentially contributed to the accident or injury in any way. “Immediately” means within two (2) hours of the incident occurring. An accident subject to drug testing includes any accident that causes an injury, or damage to property. Any employee who has been involved in a vehicle on-the-job accident or injury in a District vehicle that resulted in an injury or damage to property, must not drive a District vehicle again until a clear drug and/or alcohol test has been received by the Administration Manager who will notify the Department Head.

SECTION V: ON THE JOB INJURIES

5.1 INSURANCE - The District provides workmen's compensation insurance for all of its employees. This insurance provides medical expenses and a weekly payment if an employee is absent from work because of a legitimate, on-the-job, work-related injury for more than seven days.

5.2 COMPENSATION - If an employee sustains a legitimate, on-the-job, work-related injury which renders him or her unfit for performing the duties of the job, the employee will receive pay as follows. For up to seven days the employee receives his or her regular pay for that period. Beginning on the eighth day and for any day thereafter that the employee is unfit for duty, the employee receives payments from the Workmen's Compensation Insurance Carrier in accordance with law. The employee must use accrued sick leave or vacation time to provide additional compensation above the insurance payment in an amount not to exceed his or her normal weekly base pay.

5.3 MEDICAL ATTENTION - An employee who sustains a legitimate, on-the-job work-related

injury may seek medical attention from the medical facility or professional of his or her choice. In the event of an emergency, the employee will be taken to the nearest facility known by the supervisor that is capable of taking care of the situation. The District requires statements of medical condition and of release to return to work from the attending physician. An employee may be required to submit to examination by an independent physician as determined by the General Manager at the District's expense.

5.4 REPORTING - While on leave because of a legitimate, on-the-job, work-related injury, an employee must submit written documentation to the General Manager on his or her condition on a weekly basis. Failure to provide the required medical status may result in revocation of the leave and/or immediate dismissal and loss of all accrued benefits.

5.5 RETURN TO SERVICE - All employees must return to work after the approval of the attending physician. Failure to return to work when directed may result in immediate dismissal and loss of all accrued benefits. An employee who is able to return to work in light duty status may be required to work in a different status and perform duties not contained within his or her current classification. At the time of final release or settlement of a Worker's Compensation Claim, if no vacancy exists and if a reasonable effort has been unsuccessful to place the employee, the employee will be separated and paid accrued benefits.

5.6 BENEFITS - An employee does not accrue benefits while receiving Workmen's Compensation payments.

SECTION VI: PAY, OVERTIME, ABSENCES, LEAVE, AND HOLIDAYS

6.1 HOURS OF WORK - The hours during which District Offices and Departments are open for business shall be determined by the General Manager. Anyone misrepresenting his/her number of hours worked is subject to disciplinary action or dismissal, in accordance with SECTION II of this policy.

6.2 PAYDAY - The payroll period begins on a Sunday and ends on a Saturday for a fourteen day period. All employees are paid every other Friday for the preceding two week payroll period. Paychecks are deposited by direct deposit in the employee's bank account on Friday by the District, or distributed to the employee by 5:00 P.M. If Friday is a holiday, employees will be paid the last working day immediately preceding the holiday.

6.3 OVERTIME WORK AND PAY - This section applies only to workers covered by the Fair Labor Standards Act (FLSA).

- A. A pay period for the District begins at 12:00 a.m. on Sunday and continues for two (2) calendar weeks; the FLSA work week and hours worked begins at 12:00 a.m. on a Sunday, and ends at 11:59 p.m. the following Saturday.

- B.** To qualify for overtime pay an employee must first work forty (40) hours during a week of the pay period. Sick leave and comp time do not count as hours worked.
- C.** Overtime pay shall be at a rate of 1.5 times the hourly pay of the employee.
- D.** Employees required to work on District designated holidays shall receive eight (8) hours pay plus time and a half (1.5) for time actually worked.

6.4 ABSENCES WITH PAY

- A.** Death of an immediate member of the employee's family means spouse, child, mother, father, sibling, mother-in-law, father-in-law, or grandparents of employee or spouse, or another family member as approved by the General Manager. In such cases the employee may, upon request, be granted up to five (5) days leave with pay without loss of benefits.
- B.** Employees are required to obtain approval from their supervisor or the General Manager for any absence from work. Even in the case of an emergency, the supervisor or General Manager must be notified as soon as possible for approval to be absent. The General Manager's or immediate supervisor's approval must be obtained before an employee leaves the job for any purpose other than the performance of assigned duties, lunch, or medical emergency.
- C.** Paid leave is discretionary depending upon the needs of the District.
- D.** All other absences with pay, not otherwise specified in these policies, shall be at the discretion of the General Manager.

6.5 SICK LEAVE WITH PAY - Employees in regular full-time positions will be eligible for sick leave with full pay subject to the following conditions:

- A.** Sick leave is accrued over twenty six (26) pay periods for a possible total annual accrual of eighty (80) hours.
- B.** With supervisor approval, employees may use sick leave due to illness of immediate member of employee's family which includes spouse, child, mother, father, grandparents, grandchildren or another family member as approved by the General Manager.
- C.** Employees who are absent for periods of three consecutive days or more must submit a confirmation of illness and provide a release to work from a physician prior to returning to work.
- D.** Employees absent for job related injuries, and receiving Workers' Compensation benefits, may use accrued sick leave benefits, but in no case shall the workers' compensation plus the sick leave pay exceed the normal pay rate of the employee.
- E.** Employees must exhaust all paid leave prior to requesting leave without pay.

6.6 VACATION

- A.** Upon hire, an employee is eligible to begin accruing vacation for a possible total annual accrual of eighty (80) hours of paid vacation
- B.** Vacation will begin accruing upon hire but an employee is not eligible to take vacation until completion of six (6) months of employment. In an emergency, or under special circumstances, the General Manager may award advance vacation to an employee.
- C.** Upon completion of five years of employment, an employee is eligible for one hundred twenty (120) hours of paid vacation per year.
- D.** Upon completion of ten years of employment, an employee is eligible for one hundred sixty (160) hours of paid vacation per year.
- E.** Vacation days must have prior approval of supervisors or the General Manager.
- F.** Employees may rollover 50% of the vacation hours earned during the fiscal year. Hours accrued over 50% and unused shall be forfeited.
- G.** An employee who leaves the employ of the District with the required notice, shall be compensated for accrued vacation time.

6.7 COMPENSATORY TIME OFF - This section applies only to non-exempt workers covered by the Fair Labor Standards Act (FLSA).

- A.** To qualify for Compensatory time off an employee must first work forty (40) hours during a week of the pay period. Sick leave and comp time do not count as hours worked.
- B.** Compensatory time off shall be earned at the rate 1.5 times the number of hours worked over 40 hours during a pay week for non-exempt employees.
- C.** Compensatory time off must have prior approval of the General Manager and must be submitted on time recorded.
- D.** If an employee requests time off for any reason other than illness, and that employee has Compensatory time off earned, the Compensatory time must be used before any other leave may be used. Any Compensatory time still to be used at the end of the fiscal year will be allowed to be carried over with the General Manager's approval or will be paid to the employee.
- E.** An employee, who leaves the employ of the District, shall be compensated for Compensatory time off earned and not taken.

6.8 HOLIDAYS

A. The following list of holidays will be observed by the District with pay for full time employees.

1. New Year's Day - January 1
2. Good Friday
3. Memorial Day
4. Independence Day - July 4th
5. Labor Day
6. Close at noon on Wednesday before Thanksgiving Day
7. Thanksgiving Day
8. Day after Thanksgiving
9. Christmas Eve December 24th
10. Christmas Day - December 25th
11. Personal Holiday of choice by employee

B. Should any holiday fall on a Saturday, the previous Friday will be observed; any holiday falling on a Sunday, the following Monday will be observed.

C. The Board of Directors may authorize special holidays other than those stated above.

D. An employee who has an unscheduled absence from work either the day before or day after the holiday will not be paid for the holiday unless adequate documentation is submitted to the General Manager.

6.9 CIVIL LEAVE - Employees are entitled to civil leave with pay for jury duty, for serving as a subpoenaed witness in an official proceeding, and for the purpose of voting. When an employee has fulfilled the reason for the civil leave, he or she must report to the District for duty for the remainder of the workday. No deduction will be made from the salary or leave balances of an employee called for jury duty, nor will an employee be required to reimburse the District for any fee or compensation received for jury services. A copy of the jury summons must be submitted with a leave request form.

6.10 MILITARY LEAVE - Regular employees who are members of the State Military Forces or members of any of the Reserve Components of the Armed Forces of the United States are entitled to leave of absence from their duties, without loss of time or efficiency rating or vacation time or salary, on all days during which they are engaged in authorized training or duty ordered by proper authority, for not more than fifteen days in any one calendar year. Requests for approval of military leave must have copies of the relevant military orders attached. Military leave in excess of fifteen days will be charged to vacation leave or leave without pay. Regular employees who are ordered to extend active duty with the state or federal military forces are entitled to all of the re-employment rights and benefits provided by law upon their release from active duty.

6.11 SPECIAL LEAVE OF ABSENCE

A. **UNDER ONE MONTH** - A leave of absence may be granted by the General Manager. A written request specifying the leave period and circumstance must be submitted by the

employee. The leave period shall normally not exceed one month and shall be without pay. All paid leave benefits must be exhausted prior to granting leave without pay.

- B. OVER ONE MONTH** - A leave of absence up to one year may be granted by the General Manager. Service credit for vacation, sick leave and retirement shall continue for 90 days and then cease until active employment is resumed; provided that with respect to employees on Workers Compensation leave, service credit shall be governed by the law. Employee health/dental/vision insurance, AD&D and Life Insurance will continue for 90 days as if the employee were still working, providing the employee pays their share of the cost of employee and dependent coverage. After 90 days, employee health/dental/vision insurance and dependent insurance will be offered at the employee's expense.

6.12 FAMILY AND MEDICAL LEAVE

- A.** It is the policy of the District to grant up to 12 weeks of Family and Medical Leave (FML) during any 12 month rolling period to eligible employees in accordance with the Family Medical Leave Act of 1993 (FMLA). The leave may be paid, unpaid, or a combination of both depending on the circumstances. Employees who meet the conditions listed below are eligible for Family Medical Leave:
 - 1. The employee must have worked for the District at least 12 months (52 weeks) that need not have been consecutive. If an employee was in a paid status for any part of a week, they would be considered to have been employed for an entire week.
 - 2. The employee must have actually worked at least 1250 hours during the 12 month period immediately before the date the leave would begin. Unpaid and paid leave is not counted as work days for this purpose.
 - 3. The employee must certify that the leave is for 1) birth and care of child; 2) placement of child for adoption or foster care in the employee's home; 3) care for a spouse, child, or parent with a serious health condition; 4) serious health condition of the employee that makes the employee unable to perform the functions of their job.
- B.** A serious health condition is one that requires inpatient care at a hospital, hospice, or residential medical care facility, or requires continuing care by a licensed health care provider. The relevant federal regulations provide specific examples of serious health conditions that include, but are not limited to pregnancy and pre-natal care. The regulations exclude common ailments such as colds, flu, earaches, or stomach ailments. An injury sustained on the job that results in inability to work, and that is covered under workers' compensation, generally automatically meets the criteria for Family Medical Leave since most of these injuries render an employee unable to perform the functions of his/her job for some period of time. Therefore, if the employee is eligible for FML, the first twelve weeks of a workers' compensation injury will be counted toward an employee's annual FML allotment.
- C.** The District requires certification of the serious health condition. The employee must respond to such a request within 15 days of the request, or provide a reasonable explanation for a delay. Failure to provide certification in a timely manner may result in denial of leave. Medical certification of the serious health condition must include:

1. Date when the condition began.
2. Its expected duration.
3. Medical facts which support the certification.
4. Brief statement of treatment.
5. Statement that the employee is unable to perform the essential functions of the employee's position (if leave is due to employee's serious health condition), or a statement that the family member requires assistance and/or that the employee's presence would be beneficial or assist in the family member's recovery (if leave is due to family member's serious health condition).
6. Dates and the duration of treatment and a statement of medical necessity for taking intermittent leave or working a reduced schedule (if intermittent leave or a reduced work schedule is desired).

D. The District may require a second opinion if it has reason to doubt the medical certification. The second opinion will be from a physician of the District's choice and at the District's expense. If necessary to resolve a conflict between the original medical certification and the second opinion, the District and the employee will jointly select a third physician. The District will pay for a third opinion. This third opinion will be considered final.

E. Medical re-certification may be required if:

1. The duration of the serious health condition, as stated in the original certification, has expired and the employee is still unable to return to work.
2. There are facts that cast doubt on the employee's stated reason for the absence.
3. The annual certification has expired for intermittent use and the employee continues to need intermittent time away from work for the condition.
4. There is a change in circumstances.

F. FML PROCEDURES

1. Any eligible employee can take up to 12 weeks of leave during any 12 month period.
 - a) The District uses the "rolling 12 month period" that counts backward from the date an employee uses any FMLA-qualifying leave.
 - b) Each time an employee takes leave, the amount is subtracted from the 12 weeks of available leave, and the balance is the amount the employee is eligible to take at that time.
 - c) Leave for the birth, adoption or foster care of a child must be taken within 1 year of the birth or placement.
2. The employee must use all accrued paid leave before being eligible for unpaid leave as follows:
 - a) A serious health condition of the employee or a family member requires use of all accrued sick leave first, then accrued vacation leave before taking any

- unpaid leave.
- b) The birth of a child requires the use of accrued vacation leave before unpaid leave. If a serious health condition of the mother or baby is involved, the leave priorities of F.2.a. above apply.
 - c) Adoption or foster care of a child requires the use of accrued vacation leave before unpaid leave. Unless a serious health condition is involved, leave for adoption or foster care does not qualify for the use of accrued sick leave. If a serious health condition of the child is involved, the leave priorities of F.2.a. above apply.
3. The employee may take FMLA intermittently, taking a day periodically when needed, or may use the leave to reduce the work week or work day. In all cases, the leave may not exceed the equivalent of a total of 12 weeks over a 12 month period.
 - a) If the District and the employee cannot agree to a satisfactory intermittent leave schedule or reduced work schedule for a serious health condition of the employee or a family member, the District may temporarily transfer the employee to an available alternative position with equivalent pay and benefits to better accommodate the intermittent or reduced schedule.
 - b) The District does not offer the option of a temporary re-assignment for post-birth (without documented restrictions from a physician), adoption, or foster care of a child.
 4. Except in cases of emergency, all employees requesting FMLA must submit their request in writing to their immediate supervisor with a copy to the Human Resources Department, as far in advance of the leave as is practical. All original documents should be forwarded to and maintained in Human Resources. In the case of an emergency, the employee's supervisor will coordinate with the employee or if the employee is unable to provide information, with the employee's next of kin to obtain information about the circumstances requiring leave. The supervisor will then contact the Human Resources Department, which will coordinate the leave.
 5. While on FMLA for more than one pay period, employees are required to report weekly to their supervisor regarding the status of the medical condition and their intent to return to work.
 6. An employee on paid leave for FMLA purposes will continue to accrue paid leave and deductions from pay and the District's contributions to any benefit plan will continue to be made as if the employee had continued to work. An employee who is on unpaid leave for FMLA purposes continues health coverage only if the employee pays the employee's share of the cost of the employee and dependent coverage. If the employee chooses not to return to work for reasons other than a continued serious health condition, the District will require the employee to reimburse the District the amount it paid for the employee's health insurance premium, if the employee used any unpaid leave.

7. An employee returning to work following a paid or unpaid leave for a serious health condition must provide a written release from the treating physician indicating the employee's fitness to return to duty, stipulating any type of restrictions, and the date of the employee's release from medical care. If no restrictions are specified, the supervisor is to send a copy of the release to Human Resources. If restrictions are specified, the employee must report to Human Resources Department before reporting to work. If an employee fails to return to work or request an unpaid leave of absence at the expiration of an approved Family and Medical Leave, the employee forfeits employment.

6.13 EMPLOYEE ON-CALL The District desires to provide "On-Call" compensation to an employee who remains available during off-duty hours to come back to work to respond to an emergency or planned situation.

- A. On-Call employees are paid a set amount above and beyond their normal pay for each week that they serve on call. Each week two employees will be designated as On-Call. One employee is designated as primary (1st Call) and one employee is designated as secondary (2nd Call). These On-Call employees are each required to have in their possession and maintain a cell phone while on call and to respond timely to a call. Timely response to a call means that the employee returns a call to a customer or other caller within fifteen minutes (15) of receiving the call and, if required, appears on-scene to take care of a problem within forty-five minutes (45) after receiving the call.
- B. On-Call employees are expected to be unimpaired by alcohol or other substances when they respond to a call, so that they can safely and accurately handle the emergency or planned duty. The employee must be in a physical condition that allows him/her to resume their duties, free of drugs and/or alcohol. An employee designated as On-Call and who fails to respond as required will forfeit On-Call pay and is subject to disciplinary action. An employee who responds and is under the influence of drugs and/or alcohol is subject to drug and alcohol testing and is subject to disciplinary action up to and including termination.
- C. On-Call status will be scheduled monthly and will usually be for one week at a time. Performance will be considered unsatisfactory for On-Call employees who do not respond timely to calls, respond inappropriately, or are impaired and therefore unable to perform their duties. Failure to comply with the duties and responsibilities of On-Call duty may be grounds for loss of On-Call pay and disciplinary action, up to and including termination.
- D. The following additional rules apply:
 1. The General Manager will define the job titles eligible for On-Call pay, based on operational needs.
 2. The General Manager or his/her designee will decide specifically which employee(s) in each job title will be assigned to take On-Call and receive the additional compensation. These decisions shall be made fairly and equitably using work- and skill-related factors.
 3. On-Call is mandatory for positions designated as such by the General Manager.

4. Any job title that the District classifies as exempt (under the Fair Labor Standards Act) will not be eligible to receive On-Call pay.
5. On-Call status begins at 5 p.m. on Tuesday and continues until 5 p.m. the following Tuesday, excluding the employee's scheduled hours of work.
6. In addition to On-Call pay, an employee will be compensated for work time once an employee is called back to work. Employees called back to work will be paid a minimum of two hours work time when called back.
7. Work time will be paid at the employee's regular rate of pay or at his/her overtime rate, as applicable. When call-out work runs into the scheduled work day, the employee should only report time spent on the work until the beginning of the scheduled work day as time worked On-Call.
8. On-Call employees may be provided a District vehicle to use for responding to calls. District vehicles are to be used for official business only and in accordance with the policies set forth in this manual and the District Safety Policy. If provided a District vehicle for On-Call, the employee must use the vehicle for all call backs and routine system checks.
9. On-Call pay cannot be earned when an employee is unable or unavailable to work, including when the employee is taking paid or unpaid leave of any sort. In those circumstances, the employee's supervisor should reassign On-Call status and to another employee and that person will receive On-Call pay.
10. The District reserves the right to validate the availability of an employee receiving On-Call pay. Two attempts will be made to contact the employee On-Call, and if there is no timely response, the employee will forfeit On-Call pay.
11. On weekends and holidays On-Call employees will be required to perform equipment checks.
12. Each employee will be responsible for documenting each time he/she is On-Call and forwarding the documentation to his/her supervisor to approve the call time. The documentation must be submitted to the supervisor by the next business day.
13. Any exceptions to this policy must be expressly approved by the General Manager.

6.14 BAD WEATHER - District offices will remain open and in operation during working hours unless the General Manager declares the offices officially closed due to bad weather. Some employees shall be designated as emergency responders and will be required to report to work during inclement weather. Employees required to respond during inclement weather will be designated by the General Manager.

SECTION VII: EMPLOYEE BENEFITS

7.1 GENERAL - Immediately upon employment, employees of the District begin to participate in the District's coverage under Social Security and Unemployment Insurance. Regular full-time employees must participate in the District's retirement system, which includes payments by the employee and the District to the plan. Employees may not use vacation leave until completion of six (6) months of employment.

7.2 SOCIAL SECURITY - All employees of the District are covered by the Federal Insurance Compensation Act. The cost of this insurance is deducted from each paycheck at the required rate as set forth by the Federal Government and the District pays an equal amount for each employee.

7.3 WORKERS' COMPENSATION - All legitimate, work-related, job-incurred injuries are covered by Workers' Compensation insurance. All accidents and resulting injuries shall be reported to the immediate supervisor immediately and a report filed on the appropriate form within twenty-four (24) hours.

7.4 LIFE, MEDICAL AND DENTAL INSURANCE - The District provides a life insurance, a group medical, dental, and vision plan. The District will pay the base premium cost for all employees. The District will also pay a percentage of the base premium cost of medical, dental, and vision for employee dependents through the payroll system. The percentage paid by the District shall be set by the Board of Directors annually during the budgeting cycle.

7.5 LONG TERM DISABILITY - Long term disability insurance is provided by the District for all employees. This benefit takes effect after 90 consecutive days of disability. Sick leave must be used in the interim.

7.6 UNEMPLOYMENT INSURANCE - Unemployment insurance for each employee is paid by the District to the State of Texas on earnings as determined by the State and Federal agencies.

7.7 RETIREMENT BENEFITS - All District employees are covered by the Texas County and District Retirement System. Seven percent (7%) of any employee's gross wage is deducted each pay period and this amount is matched by the District 2:1. Seven percent (7%) is the maximum participation under the plan. Participation in this program begins immediately upon employment and is mandatory.

7.8 SERVICE AWARDS - Service Awards may be given at 5 year intervals starting with the employee's 5 year anniversary as budgeted annually.

7.9 PERFORMANCE AWARDS - The District has authorized the General Manager to distribute performance awards to some or all District employees, provided that funds are available in any budgeted line item from which salaries are paid. Any such performance awards are discretionary and may vary by employee, as determined by the General Manager, and are considered a part of the employee's regular compensation. Amounts of performance awards are based on an employee's contributions to the overall performance of the District. Performance awards are one-time compensation and do not increase the employee's base pay.

7.10 EMPLOYEE FUND - A Fund will be established and budgeted each year to maintain employee morale. This Fund may be used to fund employee gifts, gatherings, events, or celebrations.

7.11 LONGEVITY PAY - Longevity pay may be paid to regular full-time employees to recognize an employee's contribution to the District for each completed year of service.

A. Part-time non-exempt employees and temporary employees are not eligible for longevity pay.

- B. Longevity pay will be paid annually by a separate check. Employees must be employed the day longevity checks are issued.
- C. Longevity pay will be subject to regular tax and TCDRS deductions.
- D. Paid leave is counted as active service in calculating longevity pay.
- E. Based on funding available, longevity pay is equivalent to \$5.00 per completed month of service up to 60 months, and \$7.50 per completed month from 61 or more months, up to \$2,000 maximum.
- F. A partial month in which an employee begins work between the first and fifteenth day of the month shall be considered a full month; a month in which an employee begins work on the sixteenth or later shall not be counted as a full month for longevity pay.
- G. Longevity pay is based on the number of years of continuous service with the District. If a break in service occurs, longevity will accumulate from the new hire or reinstatement date and will not include prior service. After one (1) full year of service, an employee will qualify for “bridging of service” at which time the prior years of service shall be included with the calculation of longevity pay the following year.

7.12 UNIFORMS - Employees required to wear uniforms will be provided uniforms upon employment. Replacement uniforms will be furnished by the District on an “as needed” basis as determined by the General Manager as funding is available. If an employee believes he/she needs new uniforms during a fiscal year, he/she should request them through their supervisor who will obtain approval from the General Manager. Stained, worn, and/or torn uniforms should be repaired or replaced. Employees who terminate employment with the District must return all uniforms issued by the District. Employees will be responsible for keeping the uniforms clean and neat.

SECTION VIII: HARASSMENT

8.1 HARASSMENT POLICY STATEMENT - Trophy Club Municipal Utility District No. 1 is committed to providing a work environment which is free of unlawful harassment and intimidation. District policy prohibits harassment because of sex (including sexual harassment, harassment due to pregnancy, childbirth or related medical conditions and gender harassment) and harassment because of race, religion, color, national origin, medical condition, physical or mental disability, age or any other basis protected by federal, state, or local law, regulation, or ordinance. **ALL SUCH HARASSMENT IS ILLEGAL AND WILL NOT BE TOLERATED.**

Trophy Club Municipal Utility District No. 1’s anti-harassment policy applies to all individuals involved in the operation of the District, and prohibits unlawful harassment by an employee, including officers, supervisors and co-workers, or by any vendors and/or independent contractors and their employees.

Non-employee violators of this policy are subject to expulsion from the District’s facilities when harassment occurs on company premises. The District may discontinue service to violators of this policy. Furthermore, the District may report violators to the appropriate authority for civil or criminal action. The District prohibits retaliation of any kind against employees, who, in good faith, bring harassment complaints or assist in investigating such complaints.

8.2 EXAMPLES OF PROHIBITED UNLAWFUL HARASSMENT - Prohibited unlawful harassment because of sex, race, religion, color, nation origin, medical condition, physical or mental disability, age, marital status or any other protected basis includes, but is not limited to, the following behavior:

- Verbal actions such as slurs, derogatory comments or jokes, epithets or unwanted sexual invitations, advances or comments;
- Visual conduct such as sexually-oriented and/or derogatory photographs, posters, drawings, cartoons, gestures, e-mails, web sites, cellular texting, or photographs on cellular telephones;
- Physical actions such as unwanted touching, assault, blocking another's way or interference with work because of sex, race, or any other protected category;
- Threats or demands to submit to sexual advances or requests as a condition of continued employment, offers of employment benefits in return for sexual favors, or to avoid some other negative employment action; and
- Retaliation against any employee for making an allegation of harassment or for participating in such an investigation.

8.3 SEXUAL HARASSMENT - Trophy Club Municipal Utility District No. 1 seeks to assure that it maintains a workplace free of all types of unlawful harassment, including sexual harassment and intimidation. Sexual harassment is defined as "unwelcome" sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individuals; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Trophy Club Municipal Utility District No. 1 has a zero tolerance policy for vulgar, abusive, humiliating or threatening language, practical jokes, or other inappropriate behavior in the workplace. The District will not tolerate the harassment of any employee or non-employee by another employee or non-employee, supervisor, manager or director for any reason. Harassment of a sexual nature is a violation of various state and federal laws which may subject the individual harasser to liability for any such unlawful conduct.

8.4 PROCEDURE FOR REPORTING HARASSMENT - Any employee who believes that he or she is the victim of any type of harassment, including sexual harassment, should immediately report such actions to their Supervisor, or General Manager. If an employee's immediate Supervisor or the General Manager is involved in the alleged harassment, it is unnecessary to make a report to that individual. The report should be made to another member of management or to a member of the Board of Directors of the District. Employees are encouraged to promptly report the alleged

harassment within three calendar days of the offense. It is not necessary to file an informal complaint or a formal grievance to complain of sexual harassment. The District will take all complaints seriously and handle complaints as promptly, thoroughly and confidentially as possible. The District will clearly inform the employee of his or her rights to assistance and how to preserve and protect those rights.

8.5 INVESTIGATING ALLEGED HARASSMENT - Trophy Club Municipal Utility District No. 1 will fully and effectively investigate any report of alleged harassment and will take appropriate corrective action depending on the severity of the conduct. This can include disciplining or discharging any individual who is found to have violated this prohibition against harassment. The complaining employee will be informed of the action taken. An employee who engages in acts of harassment contrary to this policy may be personally liable in any legal action brought against them.

- A. Interviews, allegations, statements and identities will be kept confidential to the extent possible and allowed by law. However, the District will not allow the goal of confidentiality to be a deterrent to an effective investigation, and it may be necessary to reveal certain information to various state or federal agencies or courts.
- B. Employees should also be aware that as an employer, the District has a duty to prevent and correct harassment even when the complaining employee asks that no action be taken and that the complaint be kept confidential.
- C. No information related to the complaint or any investigation will be filed in the personnel files of the employees involved. Rather, these reports will be kept separately in a confidential file held by the General Manager or a member of the Board of Directors. At the end of each inquiry, the General Manager or a member of the Board of Directors will prepare a report that sets forth the dates that various witnesses and parties were interviewed, summarizes witnesses' statements, describes factual issues on which the parties disagree, offers his or her conclusions, and outlines the actions taken by the District.
- D. If the investigation reveals that the harassment occurred, the parties will be informed that immediate and appropriate corrective action, up to and including termination, will be taken. The discipline will be proportional to the severity of the conduct. The alleged harasser's employment history and any similar complaints of prior unlawful harassment will be taken into consideration. Disciplinary measures may include counseling, sexual harassment or diversity training, suspension, transfer, demotion or discharge. These remedial measures are intended to place the complaining employee in the position in which he or she would have been had the harassment not occurred.
- E. Exercising rights under this policy does not in any way affect an employee's right to seek relief through the Texas Commission on Human Rights, the Equal Employment Opportunity Commission, or a court of proper jurisdiction for any complaint for which a remedy is provided under state or federal law.

8.6 RETALIATION - Trophy Club Municipal Utility District No. 1 will not tolerate retaliation against any employee for making an allegation of harassment or for participating in such an investigation. Retaliation in any form is prohibited. Any employee who violates this policy is subject

to disciplinary action up to and including dismissal.

It is the responsibility of each employee to be aware of the details of the foregoing policy.

SECTION IX: WORKPLACE VIOLENCE

9.1 GENERAL INFORMATION - It is the District's goal to provide a work environment that is free from violent behavior and threats of violence. Violent behavior and threats of violence are unacceptable conduct and are prohibited. Intimidating, coercing, threatening, discriminating against, or taking reprisal against an employee for assisting with an investigation of a complaint or for reporting violent behavior or threats of violence is prohibited.

9.2 DEFINITIONS

A. THREAT – Consists of a verbal or written expression of intent to inflict something harmful. An indication of impending danger or harm; to give signs or warnings of impending danger or harm. Threats can be verbal and/or non-verbal gestures. (Threats of violence against another person are a violation of the law. It is the District's policy to report all threats of violence to law enforcement officials.)

B. WORKPLACE VIOLENCE – Consists of physical actions such as hitting, shoving, pushing, kicking and sexual assaults; this also includes verbal outbursts and can happen in the form of threats, harassment, abuse and intimidation. Behavior that is hostile or aggressive physical contact with another person, a statement or body gesture that threatens harm to another person, or a course of conduct that would cause a reasonable person to believe that he or she is under threat of harm.

9.3 APPLICABILITY-This policy covers all full-time, part-time and temporary employees. The policy also applies to any vendor, contractor or other individual performing work or services for the District and any other person that is on District property.

9.4 RESPONSIBILITIES OF EMPLOYEES - Employees have the following responsibilities:

- Know and abide by the policy on workplace violence;
- Immediately notify your supervisor or the General Manager when he or she is a target of workplace violence or threats of violence, or if you are aware of violent behavior or threats directed at others. An employee who believes that immediate action is required to respond to a threat to life or to a situation that could result in serious bodily harm should call 911 and notify his/her supervisor or the General Manager immediately thereafter.
- Cooperate with those investigating workplace violence incidents.

9.5 RESPONSIBILITIES OF SUPERVISORS AND MANAGEMENT - Supervisors and Managers have the following responsibilities:

- Know and abide by the policy on workplace violence;
- Be alert to potential instances of violent behavior or threats of violence;
- Take immediate action, including calling 911 if appropriate;
- Immediately notify the General Manager or the President of the Board upon receipt of an allegation of workplace violence or upon observation of behavior, verbal exchanges, etc. that indicate workplace violence may occur or may have occurred;
- Document all allegations and incidents;
- Cooperate with those investigating workplace violence complaints;
- Take prompt disciplinary action, as appropriate;
- After a complaint of workplace violence has been substantiated, monitor the situation if necessary to ensure that the behavior has stopped;
- Take reasonable action to prevent or stop retaliation.

9.6 RESPONSE TO INCIDENTS - Supervisors and Managers must take action when a non-employee, such as a vendor, contractor, or customer exhibits violent behavior or threatens an employee or other non-employee, or when an employee exhibits violent behavior or threatens a non-employee. Such action may include removal of the individual from the workplace and/or calling law enforcement. In cases that involve a non-employee, the supervisor shall report the incident to the General Manager who then notifies the non-employee's employer if appropriate.

9.7 DISCIPLINE - Failure to comply with the provisions of this policy may result in discipline, up to and including termination from employment. Non-employees are subject to prosecution allowed by law.

NOTE: An internal investigation and/or disciplinary action does not preclude an independent police investigation or criminal prosecution where such is warranted.

SECTION X: WEAPONS POLICY

10.1 WEAPONS GENERAL POLICY - Trophy Club Municipal Utility District No. 1 does not allow any job applicant, employee, contractor, subcontractor, vendor, agent or representative, or customer to possess, use, conceal, carry or maintain a weapon on District premises unless authorized by and in accordance with State law. No unlawful or unauthorized weapons will be carried or stored in any District property, including buildings, structures, or vehicles, unless in the authorized performance of duty. Weapon is defined as firearms, clubs, sharp and/or pointed objects, explosive or incendiary devices, and noxious, caustic, or toxic chemicals or any other object or substance that could be used by someone to inflict harm upon another.

If the District has a reasonable suspicion at any time that a concealed handgun or weapon has been maintained, carried or stored in violation of this policy, Trophy Club Municipal Utility District No. 1 reserves the right to conduct a reasonable search of the person, work area, personal items or any District vehicle in the possession or subject to the control of such person to investigate whether or not a prohibited weapon is present. Any employee who witnesses the concealment or possession of a weapon or who witnesses a physical or verbal assault involving another person should report it to

their supervisor or the General Manager immediately. Violating this policy or refusing to consent to a reasonable search conducted pursuant to this policy may lead to discipline up to and including termination. Compliance with this policy is also a term and condition of continued employment with the District.

SECTION XI: EMPLOYEE RESPONSIBILITIES

11.1 CARE OF EQUIPMENT - All District equipment is the property of the District and should be used for District purposes by District employees unless an exception is made by the General Manager or their designee. In case of accidents involving District equipment the following should be adhered to:

- Assist any injured person.
- Take names and addresses of any witness.
- Notify the proper authorities.
- Take pictures when possible.
- Notify supervisor immediately.

11.2 HANDLING COMPLAINTS - Complaints from the general public are inevitable. Some are justified, others are not. "The customer may not always be right, but he is the customer". A soft voice and brief explanations will go a long way in helping satisfy a complaint. Employees are required to act in a professional manner and failure to do so may result in disciplinary action.

11.3 PUBLIC RELATIONS - All employees of the District are, in a sense, "Public Relation Representatives". What the employee does and how they do it, helps to formulate public opinion for all District personnel. The General Manager acts as the District's Public Relations Officer. Employees are not allowed to represent the District to the media or public without express authorization from the General Manager.

11.4 THE ADMINISTRATION AND ENFORCEMENT of this policy shall be the responsibility of the General Manager.

11.5 PERSONAL TELEPHONE CALLS - Personal calls, both incoming and outgoing, shall be held to a minimum, and must not interfere with the employee's work. Emergency calls will always be permitted. Personal phone calls should be placed/received during lunch periods or before/after hours if possible.

11.6 CELL PHONE USAGE - Usage of a cell phone is a safety problem when using it while driving. State law may decide other illegal uses. In the meantime, employees must follow the following policy on cell phone use in District vehicles.

- Do not make a call while driving. Pull over to dial the number and remain stopped while

- having your conversation.
- If your phone rings while driving, pull over and answer the phone to have your conversation. If the phone rings while you must keep your eyes on the road, such as when you are approaching a traffic signal or a busy intersection, let it ring. In most cases Caller ID will list the missed call and you may return the call when it is safe to pull over.
- Never try to write down information given over the phone while driving.
- Do not text while driving. Pull over to text or only text while not moving.
- The District encourages the use of Bluetooth technology for cell phones. While these improve the safety of phone use while driving, it is still recommended to pull over as soon as possible for received calls. Do not dial a call, even from a hands free unit, while driving.

Violations of any of the above cell phone policy may result in disciplinary action.

11.7 INTERNET, E-MAIL AND COMPUTER USE -The use of District automation systems, including computers, fax machines and all forms of Internet/intranet access, is for District business and for authorized purposes only. Brief and occasional personal use of the electronic mail system or the Internet is acceptable as long as it is not excessive or inappropriate, occurs during personal time (lunch or other breaks), and does not result in expense or harm to the District or otherwise violate this policy. Use is defined as "excessive" if it interferes with normal job functions, responsiveness, or the ability to perform daily job activities. Electronic communication should not be used to solicit or sell products or services that are unrelated to the District's business; distract, intimidate, or harass coworkers or third parties; or disrupt the workplace. Use of District computers, networks, and Internet access is a privilege granted by management and may be revoked at any time for inappropriate conduct carried out on such systems, including, but not limited to:

- Sending chain letters or participating in any way in the creation or transmission of unsolicited commercial e-mail ("spam") that is unrelated to legitimate District purposes;
- Engaging in private or personal business activities, including excessive use of instant messaging and chat rooms (see below);
- Accessing networks, servers, drives, folders, or files to which the employee has not been granted access or authorization from someone with the right to make such a grant; Making unauthorized copies of District files or other District data;
- Destroying, deleting, erasing, or concealing District files or other District data, or otherwise making such files or data unavailable or inaccessible to the District or to other authorized users of District systems;
- Misrepresenting oneself or the District;
- Violating the laws and regulations of the United States or any other nation or any state, city, province, or other local jurisdiction in any way;
- Engaging in unlawful or malicious activities;
- Deliberately propagating any virus, worm, Trojan horse, trap-door program code, or other code or file designed to disrupt, disable, impair, or otherwise harm either the District's networks or systems or those of any other individual or entity;
- Using abusive, profane, threatening, racist, sexist, or otherwise objectionable language in either public or private messages;

- Sending, receiving, or accessing pornographic materials;
- Becoming involved in partisan politics;
- Causing congestion, disruption, disablement, alteration, or impairment of District networks or systems;
- Maintaining, organizing, or participating in non-work-related Web logs ("blogs"), Web journals, "chat rooms", or private/personal/instant messaging;
- Failing to log off any secure, controlled-access computer or other form of electronic data system to which you are assigned, if you leave such computer or system unattended;
- Using recreational games; and/or
- Defeating or attempting to defeat security restrictions on District systems and applications.

Using District automation systems to access, create, view, transmit, or receive racist, sexist, threatening, or otherwise objectionable or illegal material, defined as any visual, textual, or auditory entity, file, or data, is strictly prohibited. Such material violates the District anti-harassment policies and is subject to disciplinary action. The District's electronic mail system, Internet access, and computer systems must not be used to harm others or to violate the laws and regulations of the United States or any other nation or any state, city, province, or other local jurisdiction in any way. Use of District resources for illegal activity can lead to disciplinary action, up to and including dismissal and criminal prosecution.

The District will comply with reasonable requests from law enforcement and regulatory agencies for logs, diaries, archives, or files on individual Internet activities, e-mail use, and/or computer use. Unless specifically granted in this policy, any non-business use of the District's automation systems is expressly forbidden.

If you violate these policies, you could be subject to disciplinary action, up to and including dismissal.

A. OWNERSHIP AND ACCESS OF ELECTRONIC MAIL, INTERNET ACCESS, AND COMPUTER FILES; NO EXPECTATION OF PRIVACY - The District owns the rights to all data and files in any computer, network, or other information system used in the District and to all data and files sent or received using any District system or using the District's access to any District network, to the extent that such rights are not superseded by applicable laws relating to intellectual property.

1. The District also reserves the right to monitor electronic mail messages (including personal/private/instant messaging systems) and their content, as well as any and all use by employees of the Internet and of computer equipment used to create, view, or access e-mail and Internet content. Employees must be aware that the electronic mail messages sent and received using District equipment or District provided Internet access, including

web-based messaging systems used with such systems or access, are not private and are subject to viewing, downloading, inspection, release, and archiving by District officials at all times.

2. The District has the right to inspect any and all files stored in private areas of the network or on individual computers or storage media in order to assure compliance with District policies and state and federal laws.
3. No employee may access another employee's computer, computer files, or electronic mail messages without prior authorization from either the employee or the General Manager.
4. The District uses software in its electronic information systems that allows monitoring by authorized personnel and that creates and stores copies of any messages, files, or other information that is entered into, received by, sent, or viewed on such systems. Accordingly, employees should assume that whatever they do, type, enter, send, receive, and view on District electronic information systems is electronically stored and subject to inspection, monitoring, evaluation, and District use at any time. Further, employees who use District systems and Internet access to send or receive files or other data that would otherwise be subject to any kind of confidentiality or disclosure privilege thereby waive whatever right they may have to assert such confidentiality or privilege from disclosure.
5. Employees who wish to maintain their right to confidentiality or a disclosure privilege must send or receive such information using some means other than District systems or District provided Internet access.
6. The District has licensed the use of certain commercial software application programs for business purposes. Third parties retain the ownership and distribution rights to such software. No employee may create, use, or distribute copies of such software that are not in compliance with the license agreements for the software. Violation of this policy can lead to disciplinary action, up to and including dismissal.

B. CONFIDENTIALITY OF ELECTRONIC MAIL - As noted above, electronic mail is subject at all times to monitoring, and the release of specific information is subject to applicable state and federal laws and District rules, policies, and procedures on confidentiality. Existing rules, policies, and procedures governing the sharing of confidential information also apply to the sharing of information via commercial software. Since there is the possibility that any message could be shared with or without your permission or knowledge, the best rule to follow in the use of electronic mail for non-work-related information is to decide if you would post the information on the office bulletin board with your signature. It is a violation of District policy for any employee, including system administrators and supervisors, to access electronic mail and computer systems files to satisfy curiosity about the affairs of others, unless such access is directly related to that employee's job duties. Employees found to have engaged in such activities will be subject to disciplinary action.

C. ELECTRONIC MAIL TAMPERING - Electronic mail messages received should not be altered without the sender's permission; nor should electronic mail be altered and forwarded to another user and/or unauthorized attachments be placed on another's electronic mail message.

D. POLICY STATEMENT FOR INTERNET/INTRANET BROWSER(S) -The Internet is to be used to further the District's mission, to provide effective service of the highest quality to the District's customers and staff, and to support other direct job-related purposes. Supervisors should work with employees to determine the appropriateness of using the Internet for professional activities and career development. The various modes of Internet/Intranet access are District resources and are provided as business tools to employees who may use them for research, professional development, and work-related communications. Limited personal use of Internet resources is a special exception to the general prohibition against the personal use of District equipment and software. Employees are individually liable for any and all damages incurred as a result of violating District security policy, copyright, and licensing agreements. All District policies and procedures apply to employees' conduct on the Internet, especially, but not exclusively, relating to: intellectual property, confidentiality, company information dissemination, standards of conduct, misuse of company resources, anti-harassment, and information and data security.

E. PERSONAL ELECTRONIC EQUIPMENT - The District prohibits the use in the workplace of any type of camera phone, cell phone camera, digital camera, video camera, or other form of image- or voice-recording device without the express permission of the District and of each person whose image and/or voice is/are recorded.

1. Employees with such devices should leave them at home unless expressly permitted by the District to do otherwise. This provision does not apply to designated District personnel who must use such devices in connection with their positions of employment.
2. Employees should not bring personal computers or data storage devices (such as floppy disks, CDs/DVDs, external hard drives, flash drives, "smart" phones, iPods/iPads/iTouch or similar devices, mobile computing devices, or other data storage media) to the workplace or connect them to District electronic systems unless expressly permitted to do so by the District.
3. Any employee bringing a personal computing device, data storage device, or image-recording device onto District premises thereby gives permission to the District to inspect the personal computer, data storage device, or image-recording device at any time with personnel of the District's choosing and to analyze any files, other data, or data storage devices or media that may be within or connectable to the personal computer or image-recording device in question. Employees who do not wish such inspections to be done on their personal computers, data storage devices, or imaging devices should not bring such items to work at all.
4. Violation of this policy, or failure to permit an inspection of any device covered by this policy, shall result in disciplinary action, up to and possibly including immediate termination of employment, depending upon the severity and repeat nature of the offense. In addition, the employee may face both civil and criminal liability from the District, from law enforcement officials, or from individuals whose rights are harmed by the violation.

APPENDIX A

EFFECTIVE DATE - All provisions contained in the policy shall take effect upon approval for adoption by the Board of Directors, and all previous policies relating to personnel, which are in conflict, are herewith repealed.

This policy does not constitute or imply a contract between the District and its employees. This policy creates no District obligation nor any individual obligation, right, privilege, term or condition

of employment not otherwise established by law. The District has voluntarily adopted this policy for its sole and exclusive use and may amend or withdraw it at any time without prior notice.

APPROVED AND ADOPTED by the Board of Directors of Trophy Club Municipal Utility District No. 1, 100 Municipal Drive, Trophy Club, Texas 76262 on this the _____ day of _____, _____.

ATTEST:

Jim Moss
President

Kevin R. Carr
Secretary/Treasurer

[SEAL]

APPENDIX B

Employee Certification

Receipt of Policies

I, _____, acknowledge receiving Trophy Club Municipal Utility District No. 1 Personnel Policy Handbook.

I CLEARLY UNDERSTAND THAT THIS POLICY HANDBOOK DOES NOT CREATE A CONTRACT FOR EMPLOYMENT WITH THE DISTRICT, AND THAT THE DISTRICT MAY CHANGE OR MODIFY THE POLICIES AND PROCEDURES IN THIS HANDBOOK AT ANY TIME, WITH OR WITHOUT PRIOR NOTICE. I HAVE READ AND UNDERSTAND THE POLICIES OUTLINED IN THE DISTRICT PERSONNEL POLICY MANUAL, AND AGREE TO BE BOUND BY THE DISTRICT'S RULES AND REGULATIONS DURING MY EMPLOYMENT WITH THE DISTRICT. I UNDERSTAND THAT VIOLATING THE POLICIES AND RULES SET OUT IN THIS HANDBOOK MAY LEAD TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION.

Employee Signature

Date

APPENDIX C

DRUG AND ALCOHOL POLICY FOR CERTAIN DRIVERS OF COMMERCIAL VEHICLES

Policy of

Trophy Club Municipal Utility District No. 1

Regarding Certain Drivers with Commercial Drivers Licenses

Policy - Trophy Club Municipal Utility District No. 1 will comply with the Omnibus Transportation Employee Testing Act of 1991 as it applies to certain employees of the District who (1) must hold commercial drivers' licenses, and (2) drive large vehicles or equipment covered by the U.S. Department of Transportation rules implementing the Act.

Information - The following information will be provided to each driver covered by the Act:

1. This policy;
2. The summary of the U.S. Department of Transportation regulations attached to this policy; and
3. The District's Personnel Policy Manual, which includes provisions on a Drug- Free Workplace, and on discipline.

Additional information may be obtained from the Administration Manager.