

Lowell Light and Power

Policy 3

Non-Union Employee Handbook

Policy 3-1	Subject: Employment Laws and Policies.....	1
	1.0 Drug Free Workplace/Fitness for Duty	
	1.1 Outside Employment	
	1.2 Dress Code	
Policy 3-2	Subject: Employment Standards.....	4
	2.0 Employment Classifications	
	2.1 Personnel Files	
	2.2 Orientation Period	
	2.3 Performance Evaluation	
	2.4 Filling Vacancies	
	2.5 Job Transfers	
	2.6 On-the-Job Utility Sponsored Education	
	2.7 Termination of Employment	
	2.8 Termination Disputes	
Policy 3-3	Subject: Employee Compensation.....	8
	3.0 Overtime Pay	
	3.1 Stand-By Pay	
	3.2 Call-Out Pay	
	3.3 Retirement	
Policy 3-4	Subject: Employee Benefits.....	10
	4.0 Employee Eligibility and Responsibility	
	4.1 Group Health Care Insurance	
	4.2 Group Dental Insurance	
	4.3 Term Life Insurance	
	4.4 Continuation of Insurance Premiums	
	4.5 Short-Term Disability	
	4.6 Long-Term Disability	
	4.7 Accidental Death and Dismemberment	
	4.8 Flexible Spending Account	
	4.9 Wellness Program	

Lowell Light and Power

- 4.10 Educational Assistance
- 4.11 Retiree Health Care
- 4.12 Miscellaneous Benefits
- 4.13 Company Provided Clothing

Policy 3-5 **Subject:** Hours of Work.....16

- 5.0 Hours of Work
- 5.1 Out-Of-Town Assignments
- 5.2 Time Reporting
- 5.3 Work Breaks and Meal Periods
- 5.4 Overtime, Stand-By and Call-Out
- 5.5 Overtime, Exempt Employees
- 5.6 Temporary Supervisor Assignment

Policy 3-6 **Subject:** Personal Time Off (PTO).....18

- 6.0 Personal Time Off (PTO)
- 6.1 Management of PTO
- 6.2 PTO Scheduling
- 6.3 PTO Illness/Emergency
- 6.4 PTO Reporting
- 6.5 Unused PTO and Carry-Over
- 6.6 PTO Purchase Plan
- 6.7 Eligibility & PTO Calculation
- 6.8 Annual PTO Entitlement – New Employee
- 6.9 PTO Time Sheet Codes
- 6.10 Voluntary PTO Leave Donation Program
- 6.11 Separation

Policy 3-7 **Subject:** Absence Time.....24

- 7.0 Attendance Expectations
- 7.1 Absence Reporting
- 7.2 Paid Leaves of Absence
- 7.3 Unpaid Leaves of Absence
- 7.4 Illness Time Off
- 7.5 Right to Require Proof
- 7.6 Short-Term Disability
- 7.7 Long-Term Disability
- 7.8 Family and Medical Leave Act (FMLA)
- 7.9 Military Family and Medical Act (FMLA)
- 7.10 Holidays

Lowell Light and Power

	7.11	Jury Duty	
	7.12	Funeral Attendance	
Policy 3-8	Subject:	Grievance Procedure.....	29
	8.0	Grievances	
	8.1	Grievance Procedure	
Policy 3-9	Subject:	Workplace Safety.....	31
	9.0	Accident Reporting Procedure	
Policy 3-10	Subject:	Miscellaneous.....	32
	10.0	Travel & Business Expense Reimbursement	
	10.1	Expense Reports	
	10.2	Company Credit Card	
	10.3	Prohibited Benefits	

Lowell Light and Power

Policy 3-1

Employment Laws and Policies

Section 1.0 **Drug Free Workplace/Fitness for Duty**

In accordance with state and federal laws and regulations, including the Drug-Free Workplace Act of 1988, it is the Utility's intent and obligation to provide a drug-free, healthful, safe and secure work environment. Employees must, as a condition of employment, abide by the terms of these policies and report any conviction under criminal drug statutes for violations occurring on Utility premises or while conducting utility business. The Utility recognizes drug and alcohol dependency as an illness and a major health problem. It also recognizes drug abuse as a potential health, safety and security problem. Employees needing help in dealing with such problems are encouraged to use available community resources and utility health insurance plans as appropriate before violating this policy.

Conscientious efforts to seek such help will not jeopardize an employee's job. Employees convicted under a criminal drug statute for violations occurring on the Utility's premises or while conducting utility business or in utility vehicles shall report it in writing to their supervisor within five (5) days of the conviction. Supervisors receiving a report of conviction from an employee shall notify the General Manager at once.

The Utility reserves the right to require any employee to submit to blood and/or hair and/or urinalysis or other appropriate examination for the purpose of detecting the employee's use of unauthorized prescription drugs, illegal drugs, controlled substances and/or alcohol when the Utility has a reasonable suspicion that the employee in question is under the influence, impaired or otherwise affected by the use of unauthorized prescription drugs, illegal drugs, controlled substances and/or alcohol effecting work performance.

If, based on reasonable suspicion, any employee is believed to pose an immediate safety risk to anyone, including themselves, the supervisor is to remove the employee of all work responsibilities. The supervisor will escort the employee to an approved facility to perform the test and make arrangements to take the employee home. If the test results are not immediately available the employee will be relieved of all work duties and provided with the option of using Personal Time Off (PTO) or unpaid absence until the test results are received.

The Utility Distribution & Transmission or Office Manager will notify the supervisor and/or the General Manager when the test results are received. Negative test results will allow the employee to return to regular duty at the beginning of the next work day. Any loss of pay or PTO shall be restored with regular straight-time pay. Positive test results require a determination by the General Manager regarding the action to be taken which may result in immediate termination of employment. If the employee refuses to cooperate with a testing

Lowell Light and Power

request, the employee will be suspended immediately, without pay, pending a review of the incident.

Immediate suspension means the employee must leave the workplace (office or job site); however, the employee must not be allowed to drive, including his/her own personal vehicle. Necessary arrangements for transportation home will be made by the supervisor. If the employee refuses these arrangements and proceeds to drive on their own, the supervisor or General Manager will call the Lowell Police Department.

Section 1.1 **Outside Employment**

No employee may work at other employment which would lead to a conflict of interest or impair performance as an employee of the Utility. Written permission from the General Manager must be obtained before any outside work or employment is undertaken. No employee may utilize Utility facilities to conduct supplemental outside employment. If the General Manager determines that the outside employment would violate this policy, or if after outside employment has been approved, the General Manager determines the outside employment violated this policy, the employee may resign either the outside employment or their position with the Utility. All approvals of supplemental outside employment will be reviewed on an annual basis by the General Manager. Employees whose outside employment lasts for more than one (1) year are required to resubmit their request for approval annually, at performance evaluation time. Additionally, if the requirements and/or conditions of the supplemental employment change, the employee must promptly advise his/her supervisor and re-apply for approval with the new requirements and/or conditions.

Section 1.2 **Dress Code**

It is the Utility's intent that work attire should complement an environment that reflects an efficient, orderly and professionally operated organization. The key point to sustaining an appropriate causal business attire program is the use of common sense and good judgment, and applying a dress practice that the Utility deems conducive to our business environment. Office employees have been provided with shirts displaying the Lowell Light & Power logo and are expected to wear them at work Monday through Thursday. Friday is a "free" day; an employee is free to wear other shirts and tops that are appropriate.

The following are some examples of inappropriate attire:

- Shorts and Cutoffs
- Athletic wear, work-out clothes; e.g. sweat pants
- Spandex or Lycra such as biker shorts
- Tube tops
- Midriff length tops or any top that exposes the midriff with body movement
- Low-cut tops
- Off-the-shoulder tops
- Beach wear

Lowell Light and Power

- Evening wear
- Provocative attire
- T-shirts with inappropriate script or any logos other than our own.

If you question the appropriateness of the attire, it probably isn't appropriate.

Supervisors are responsible for monitoring and enforcing this policy. It will be administered according to the following steps:

1. If questionable attire is worn in the office, the supervisor will hold a personal, private meeting with the employee to discuss and counsel the employee regarding the possible inappropriateness of the attire.
2. If an obvious policy violation occurs, the supervisor will hold a private discussion with the employee and ask the employee to go home and change his/her attire immediately. The time the employee is away from work may be compensated with PTO or be unpaid.
3. Repeated policy violations may result in disciplinary action, up to and including discharge.

Employees who disagree with a supervisor's judgment regarding his or her dress code violation may appeal such decision to the General Manager. The appeal process is described in Chapter 8, Section 8-1; Grievance Procedure.

A large, semi-transparent watermark of the Lowell Light & Power logo is centered on the page. The logo features the word "Lowell" in a large, bold, sans-serif font, with "Light & Power" in a smaller, similar font below it. The text is overlaid on a stylized yellow sunburst graphic that radiates from behind the word "Lowell".

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Policy 3-2

Employment Standards

Section 2.0 **Employment Classifications**

Employees at Lowell Light & Power fall into one of three categories:

- 1. Regular Full-Time:** An employee who is normally scheduled to work not less than 35 hours and not more than 40 hours per week in a position classified by the Utility. A full-time employee receives full benefits including, but not limited to: vacation, insurances and holiday pay.
- 2. Regular Part-Time:** An employee who is normally scheduled to work no more than an average of 25 hours per week or 1300 hours annually in a position classified by the Utility. A part-time employee is eligible to receive holiday pay based on a percentage of the average hours worked (e.g.; average work week is 20 hours equals 4 hours of one day of holiday pay).
- 3. Temporary:** Any employee who does not fall within the definitions of regular full-time or regular part-time when the employee; works irregular schedules, or hired for a specific task or assignment which has a termination point. This includes contract, seasonal and per diem employees.

Non-Exempt:

An employee who is paid an hourly rate which is at least the federal minimum wage for all hours worked and overtime pay at time and one-half the regular rate of pay for all hours worked over 40 in a work week and/or all hours worked on Saturdays, Sundays and holidays. Non-management employees in production, maintenance, construction and similar occupations are not exempt no matter how highly paid they might be.

Exempt:

An employee who is compensated on a salary basis at a rate not less than \$455 per week. The employee's primary duty must be managing a department or operation. They must customarily and regularly direct the work of at least two or more other full-time employees or their equivalent and have the authority to hire or fire other employee, or the employee's suggestions and recommendations as to the hiring, firing, advancement, promotion or any other change of status of other employees.

All employment is "at-will". This means the employee may resign at any time for any reason or no reason, and the company may terminate the employee for any reason or no reason.

Lowell Light and Power

Section 2.1 **Personnel Files**

Employee personnel files are maintained in a locked file cabinet. Access is limited to the General Manager and the employee's supervisor. You are required to advise your supervisor or the General Manager; any changes of name, current address, phone number, marital status, dependents and emergency contact information; signed and dated in writing. Employees desiring personal information released to outside parties must provide a signed authorization to their supervisor or the General Manager. You may review the contents of your personnel file upon request to the General Manager up to two (2) times within twelve (12) months. Your review must be accompanied by your supervisor or the General Manager. No contents may be removed or copied without the consent and knowledge of the General Manager.

Employee personnel files will only contain information pertaining to the employee's relationship with his/ her employer. No other information may be placed in a personnel file such as; comments relating to off-the-job behavior, credit information, arrest records, political affiliation, memberships in clubs, notations that an employee may have been suspected of misconduct that was never substantiated, or comments about the employee's family.

Section 2.2 **Orientation Period**

An Employee should consider his/ her "orientation period" as the first ninety (90) days from the employment date with the Utility. During the orientation period, the employee will receive training and mentoring by a supervisor, peer and/or outside educational source to meet the necessary requirements to perform his/her job duties. This time period will be used to determine whether the employee has the ability, skills and knowledge to meet the requirements to successfully perform all aspects within the job description. The General Manager may extend an employee's orientation period. Written notice will be given to the employee stating the reason for the extension and the date the new orientation period ends.

Section 2.3 **Performance Evaluations**

Performance evaluations are completed by the supervisor and/or the General Manager and presented to an employee upon completion of his/her orientation period.

Annual performance evaluations are completed and presented to all employees within thirty (30) days after June 30, the end of the fiscal year. Supervisors and the General Manager will provide documentation and feedback to an employee for the purpose of goal setting, identifying training needs, review promotional potential and establish salary adjustments.

Section 2.4 **Filling Vacancies**

When a vacancy occurs within the Utility for a permanent full-time or part-time job position, the vacancy shall be posted, as deemed appropriate, by the General Manager. Employees

Lowell Light and Power

interested in filling the vacancy may file a written "Request for Consideration" by the deadline established in the posted announcement. The General Manager will consider all applicants expressing interest in the position based on their qualifications. The position will be awarded to the most qualified applicant. Unsuccessful candidates will be notified, in writing, as to the disposition of the vacancy. Should no applicants within the Utility be deemed qualified or if after consideration decline the position, the General Manager may seek external candidates to fill the position. Any unsuccessful employee candidate has the right to appeal the decision of the hiring supervisor and/or General Manager. This appeal process is described in the Grievance Procedure in Chapter 8, Section 8.1.

Section 2.5 **Job Transfers**

Any employee who fills a vacancy within the Utility shall be required to serve a new orientation period of ninety (90) days. During the orientation period, the employee will receive training and mentoring by a supervisor, peer and/or outside educational source to meet the necessary requirements to perform his/her job duties in the new position. In the event the employee desires to return to his/her former position within the orientation period, the employee may request do so by making the request, in writing, to his/her supervisor or the General Manager. The request may be approved or denied. Additionally, in the event the supervisor or the General Manager determines the employee is not meeting the expectations, within the orientation period, of performing the new position successfully, the employee will be given written notice to return to his/her former job or given an extension of the orientation period. The written notice will state the reason for the extension and the date the new orientation period ends.

Section 2.6 **On-the-Job Utility Sponsored Education**

Utility sponsored education is considered a daily work assignment with regards to pay, meals and hours of work. No employee will be paid over-time for travel without the advance approval of their supervisor. Additionally, an employee will not be paid for a full workday if they return from school prior to their normal quitting time and they do not remain at work and on-the-job.

An Employee may be provided a Utility vehicle to travel to and from the reporting site of the school. The Utility vehicle is only to be driven to and from his/her normal Lowell Light & Power work location and designated school location during the assignment period. Under no circumstances should the Utility vehicle be taken home, driven after hours, for any reason, if alcoholic beverages have been consumed, or used for any purpose other than directed by the employee's Supervisor/General Manager.

An employee may be assigned Utility equipment while attending the school. This includes Utility lap-top computers. All devices and tools are to be used specifically for the purpose of completing work assignments. Completion of school work assignments is the responsibility of the employee. The Utility equipment is not to be used for personal reasons during work hours.

Lowell Light and Power

Computers with Internet capability are to be used within the guidelines of the "Internet, E-Mail, Computer and Communication Systems Usage Policy". All tools and equipment are the responsibility of the employee. Should negligent damage or loss occur to the assigned lap top computers, the employee may be required to reimburse the Utility for repair or replacement.

Education programs are provided, at a cost to the Utility, for an employee to achieve skills, knowledge and promotional advancement eligibility. An employee who successfully completes Utility sponsored education programs is expected to maintain their employment with Lowell Light & Power for a period of no less than twelve (12) months from the completion date of the last school attended. This is the period of time the Utility expects to receive a return on the investment they have made to obtain a fully skilled worker. Should an employee terminate his/her employment prior to this period the employee may be required to reimburse the Utility for the education expenses.

Section 2.7 Termination of Employment

The employment relationship with an employee at the Utility is considered "at-will", therefore, is subject to termination for any reason or no reason by the employee or the Utility. When the termination is the decision of the employee, the Utility requests the employee to provide a written notice of resignation to the General Manager at least two (2) weeks in advance of the intended final day of employment. The employee will be provided the appropriate information regarding any continuing benefits/resources they may be eligible to receive.

When termination is the result of a decision made by the Utility; the employee will be provided the appropriate information regarding any continuing benefits/resources they may be eligible to receive.

Section 2.8 Termination Disputes

It is a condition of employment by the Utility that no employee will commence any action or suit relating to his or her employment with the Utility more than six (6) months after the date of termination of such employment and that the employee will waive any statute of limitation to the contrary. The existence of this condition does not imply any contract of employment other than a contract for at-will employment.

As with any action taken against an employee by his or her supervisor or other management employee of the Utility; you have the right to appeal any discipline or termination action by following the Grievance Procedure detailed in Chapter 8; Section 8-1

Lowell Light and Power

Policy 3-3

Employee Compensation

Section 3.0 **Overtime Pay**

All Utility employees are expected to work overtime upon request. Overtime must be authorized in advance, by a supervisor. Non-exempt employees will receive one and one-half (1 ½) times their regular straight-time pay rate for all hours worked in excess forty (40) hours in any work week or all hours worked on Saturdays, Sundays and holidays. Employees required to work for more than sixteen (16) consecutive hours shall receive two (2) times their regular straight-time pay rate for all hours worked in excess of sixteen (16) consecutive hours.

Section 3.1 **Stand-By Pay**

The General Manager may require an employee in the Electric Line Department to “stand-by” for possible emergencies outside of their regular eight (8) hour work day. An employee on stand-by must, at all times, be reachable by telephone within fifteen (15) minutes and must report to the required location within thirty (30) minutes of the call. If an employee on stand-by fails to respond and report within the required time periods, he/she shall forfeit their stand-by pay for that stand-by period and may receive disciplinary action. Employees on stand-by Monday through Friday shall receive two (2) hours pay per day at their regular straight-time rate, and shall receive three (3) hours pay per day at their regular-straight time rate for stand-by on Saturdays, Sundays and holidays. In addition to the stand-by pay of two (2) hours or three (3) hours as described above, employees on stand-by who are called to work shall receive pay at one and one-half (1 ½) times their regular straight-time rate for all *time* worked during the stand-by period. Time worked begins when an employee punches “in” and concludes when an employee punches “out”. Travel time is NOT included as time worked.

Section 3.2 **Call-Out Pay**

Employees, not on stand-by, who are called to work at times other than his/her regular shift or an extension of his/her shift, shall receive a minimum of two hours pay at one and one-half (1 ½) times their regular straight-time rate. All additional hours worked in conjunction with the same call-out period will be paid at one and one-half (1 ½) times their regular straight-time rate up to sixteen (16) consecutive hours. All time worked in excess of sixteen (16) consecutive hours shall be paid at two (2) times their regular-straight time rate. The guaranteed pay provision of this section does not apply in instances when an employee is called in to work prior to the start of their regular shift and continue to work through their regular shift. No employee is intended to work more than sixteen (16) consecutive hours without a rest period of at least eight (8) hours.

Lowell Light and Power

Section 3.3 Retirement

Regular full-time and regular part-time employees participate in Plan B-4 of the Michigan Municipal Employees Retirement System (MERS), with the F55(25) and FAC-3 riders. All employees may be provided with this plan document at the time of hire or at any time by requesting it from their supervisor.



Lowell Light and Power

Policy 3-4

Employee Benefits

Section 4.0 Employee Eligibility and Responsibility

The Utility's various Insurance plans provide optional coverage for an employee and the employee's eligible dependents. It is your responsibility to notify the Utility, in writing, within **30 days** of any life event as it may affect the eligibility, cost and coverage to the employee and/or their eligible dependents. These events include:

- Birth or death
- Marriage or divorce
- Legal adoption or guardianship

Section 4.1 Group Health Care Insurance

Regular full-time employees become eligible to participate in the Utility's group health care plan following their completion of thirty (30) calendar days of employment, (e.g.; hire date is May 10, benefits become effective June 10). Group health care insurance, covering certain hospitalization, surgical and medical expenses, is offered on a voluntary basis with 10% of the premium paid by the employee. The specific terms and conditions governing group insurance plans are set forth in detail in the master policy or policies as issued by the carrier or carriers. Summary descriptions of the plans are available from the insurance carrier via mail or online.

Section 4.2 Group Dental Insurance

Regular full-time employees become eligible to participate in group dental benefits after thirty (30) calendar days from their date of hire. Coverage will begin on the first day of the month following, (e.g. hire date is May 10, benefits become effective July 1). Group dental insurance, covering certain dental expenses, is offered on a voluntary basis in addition to the group health care plan with 10% of the premium paid by the employee. Summary descriptions of the plans are available from the insurance carrier via mail or online.

Section 4.3 Term Life Insurance

Regular full-time employees become eligible for the Utility's term life insurance plan after thirty (30) calendar days of active employment. All employees receive term life insurance coverage at the rate of one-thousand dollars (\$1,000) for each one-thousand dollars (\$1,000) of their annual base pay, rounded down to the last full one-thousand dollars (\$1,000). For example: If annual base pay is \$30,500; term life insurance coverage is \$30,000.

Lowell Light and Power

The amount of Life and Accidental Death and Dismemberment Insurance reduces to 67% when you reach age 65 and to 50% when you reach age 70.

The specific terms and conditions governing this insurance plan are set forth in detail in the master policy or policies as issued by the carrier or carriers. Summary descriptions of the plan are available from the insurance carrier via mail or online. The Utility covers the entire cost of the premium for this coverage.

Section 4.4 **Continuation of Insurance Premiums**

In the event a covered employee is on unpaid leave of absence, except for leaves qualifying as Family Medical Care Leave (FMLA); resigns or employment is otherwise terminated; the Utility will not pay any insurance premium for the employee or their eligible dependents beyond the month in which the leave of absence, resignation or termination occurs.

In the case of a layoff the Utility will continue its portion of the premium payment of health and dental care coverage for a period of up to one (1) month; subject to the approval of the insurance carrier.

Employees on an approved unpaid leave of absence may continue insurance benefits on a month-to-month basis, after the first month the leave commences, by paying the total applicable insurance premiums in advance monthly; subject to the approval of the insurance carrier. The Utility will resume its portion of the payment of insurance premiums for eligible employees who return to work from an approved unpaid leave of absence as of the first of day of the premium month following the date of the employee's return to work.

When applicable, employees and/or their covered dependents will be provided with the option to continue health insurance coverage through COBRA (Consolidated Omnibus Budget Reconciliation Act) at the time the Utility premiums are discontinued.

Section 4.5 **Short-Term Disability**

All active, regular full-time employees, after thirty (30) calendar days of active employment, are eligible to receive Short-Term Disability (STD) benefits. The Utility pays the entire cost of this coverage.

An employee needs to be totally disabled continuously for seven (7) calendar days before STD benefits are payable for a sickness or if total disability begins later than 72 hours after an accident.

No waiting period is required to qualify for benefits if total disability occurs within 72 hours after an injury involving an accident.

Lowell Light and Power

The amount of pay an employee receives, upon determination of eligibility, is 60% of his/her total weekly earnings, not to exceed the maximum weekly benefit of \$1250. Total weekly earnings is the amount an employee earned immediately before the first date of his/her disability began averaged over the previous 12 month period of employment or averaged from the date of employment, whichever is less. Total weekly earnings do not include commissions, bonuses, overtime pay or any other extra compensation.

The maximum time period an employee may receive STD benefit payments is 13 weeks.

Section 4.6 Long-Term Disability

All active, regular full-time employees, after thirty (30) calendar days of active employment, are eligible to receive Long-Term Disability (LTD) benefits. The Utility pays the entire cost of this coverage.

An employee is eligible to receive LTD benefits when he/she is totally or partially disabled continuously for 90 days or at the end of the STD maximum benefit period, whichever is later.

The amount of pay an employee receives, upon determination of eligibility, is 60% of his/her total weekly earnings (as described in Sec 6.5), not to exceed the maximum monthly benefit of \$6000. The minimum monthly benefit is \$100.

The longest period of time an employee can receive LTD benefits is the period shown below or the Normal Retirement Age under the 1983 amendments to the Federal Social Security Act, whichever is longer:

Age at Disability

Maximum Benefit Period

Less than 60

To age 65, but not less than 60 months

60	60 Months
61	48 Months
62	42 Months
63	36 Months
64	30 Months
65	24 Months
66	21 Months
67	18 Months
68	15 Months
69 and over	12 Months

Lowell Light and Power

The specific terms and conditions governing this insurance plan are set forth in detail in the master policy or policies as issued by the carrier or carriers. Summary descriptions of the plan are available in the General Manager's office.

Note: Total Disability or Totally Disabled means because of your injury or illness, you are unable to perform all the material and substantial duties of your own occupation and you are not engaged in any occupation for wage or profit.

Section 4.7 Accidental Death and Dismemberment

All active, regular full-time employees, after 30 days of active employment, are eligible to receive Accidental Death and Dismemberment insurance. The Utility pays the entire cost of this coverage. In the event an employee dies from accidental drowning while insured; or sustains and accidental bodily injury while insured, which results in loss of life, sight or limb; or sustains a loss of life, sight or limb due to an accidental exposure to the elements while insured; the insurance carrier or carriers will pay, subject to exclusions, up to a maximum of 100% of the benefit that was in force on the date of the Accidental Death or Accidental Bodily Injury. Summary descriptions of the plans are available in the General Manager's office.

Section 4.8 Flexible Spending Account

A Flexible Spending Account (FSA) plan provides a tax savings with employee elected dollars for out-of-pocket health care expenses and dependent care expenses from your gross salary, pre-tax, as allowed under Internal Revenue Code (IRC) Section 125.

Prior to enrollment you will want to estimate your anticipated expenses for medical, dental and/or dependent care for the enrollment period. That amount will be divided by the number of pay periods in the enrollment period and will be deducted from each pay check, pre-tax.

Eligibility to participate in a FSA is the same as Employee Health Care. You can only change your FSA dollars when a qualifying event takes place, the same as Employee Health Care.

Claims for payment require documentation of the expense. Details on filing claims and more information are available from the provider of this service, BASIC at www.basiconline.com or by calling 800-444-1922.

Section 4.9 Wellness Program

The Utility, in keeping with their commitment to make Healthy Choices a part of the strategy for employee benefits, offers a Wellness/Fitness program available to full-time employees. An employee can join an **approved** fitness facility and the Utility will pay the amount of the membership fee up to \$400/yr. The cost of the membership, paid for by the Utility, is a taxable fringe benefit.

Lowell Light and Power

Section 4.10 Educational Assistance

In an effort to encourage individual development and advancement eligibility, the Utility offers employees the opportunity to participate in the Employee Educational Reimbursement Program.

To qualify for educational reimbursement the following rules apply:

1. Employees are eligible to participate in the Employee Education Reimbursement Program after completing six months of regular full-time employment.
2. Employees must continue their employment at the Utility for a minimum period of two (2) years after receiving any reimbursement for education. Employees who leave the Utility before the two year time limit may be required to repay 100% of all education reimbursement monies received from the Utility. This includes both voluntary and involuntary termination.
3. Employees will be required to sign a form acknowledging their acceptance of the terms and conditions under which they receive educational reimbursement monies.
4. All courses must be fully accredited and associated with a degree program.
5. In order to qualify, the course(s) must be deemed relevant to the interest of the Utility and/or required for degree completion.
6. Approval must be secured prior to enrollment by completing necessary reimbursement forms and signing the acceptance of terms and conditions form.
7. Only tuition costs are reimbursable for a rolling 12 month period at an amount not to exceed the cost of 9 credit hours at the current year's annual tuition rate based on the lower division resident tuition rate for Grand Valley State University.
8. Reimbursement will not be provided for books, fees of any kind or supplies and materials needed for course work.
9. Upon presentation of evidence of payment and completion of courses with a grade of "C" or better for undergraduate work, or "B" or better for graduate work, reimbursement will be made at the rate of 75% of the tuition paid by the employee.

Section 4.11 Retiree Health Care

A regular full-time employee who retires directly from LL&P and at the time of retirement has worked at least ten (10) years of continuous service is eligible to receive group health care

Lowell Light and Power

insurance including their spouse, covering certain hospitalization, surgical and medical expenses. The coverage is optional, with 10% of the premium paid by the retiree who was hired prior to September 1, 2012. The retiree may cover additional eligible dependents at a group rate as allowed by the Affordable Care Act (ACA) entirely at the retiree's expense.

New hires after September 1, 2012, LL&P shall pay 80% of the premium cost and will be able to continue health care as described for a period not to exceed five (5) years or until the age of 65, whichever occurs first.

For the purposes of this section an individual is retired when they are eligible for and are receiving benefits under the Utility's Retirement Plan. The specific terms and conditions governing the group insurance plan is set forth in detail in the master policy or policies as issued by the carrier or carriers. The Utility reserves the right to amend, modify or delete this medical continuation policy at any time. Additionally, termination of this continuation policy, amendment or other change may apply to both current participants and potential future participants as determined by the Utility within its sole discretion and judgment.

Section 4.12 Miscellaneous Benefits

During the month of December, all employees will be eligible to receive their choice of a ham or turkey for their holiday benefit. The Utility will provide the hams and turkeys at no expense to the employees. They will be distributed in the form of a voucher that can be redeemed at a local market unless otherwise instructed.

Section 4-13 Company Provided Clothing

For any non-union employee that is required to wear fire retardant (FR) clothing during the course of their assigned duties, LL&P will provide the same appropriate FR clothing and boot allowance provided to union employees as described in **Article 39** of the Working Agreement.

Lowell Light and Power

Policy 3-5

Hours of Work

Section 5.0 **Hours of Work**

The Utility's regular operating period is Monday through Friday. A regular work week for full time employees is at least 35 hours but not more than 40 hours. A regular part-time employee may work up to an average of 25 hours a week; no more than 1300 hours annually. Work schedules are assigned by an employee's supervisor as determined by the needs of service.

Section 5.1 **Out-of-Town Assignments**

When hourly employees are assigned to work sites out-of-town for the purpose of education and training, actual driving time to and from the site is considered compensable as being "on duty". When the out-of-town assignment involves overnight lodging and/or the transportation is paid for by the Utility, e.g.; airfare or ground transportation, the travel time to and from the work site is not compensable. Only the employee's scheduled training and class hours during the assignment period will be paid.

When hourly employees are assigned outside of LL&P's service area for storm work associated with mutual aid, all hours worked will be paid at time and one-half (1 ½) the employee's regular straight time rate.

Section 5.2 **Time Reporting**

A time sheet, the record of an employee's hours worked and absence, for the corresponding pay period, is to be submitted to his/her supervisor on the last day worked during the pay period. The supervisor reviews and approves the time sheet and submits it to the employee responsible for entering the data from the time sheet into the payroll system.

Section 5.3 **Work Breaks and Meal Periods**

An employee may take one 15 minute break period for each four (4) hours of time on the job whenever practicable. Work breaks are intended to provide an employee relief from the job and do not include compensated travel time to and from the work place for the purpose of a work break. Office employees are to remain on Utility property during work breaks and field employees should remain at the jobsite they are on at the time they take a work break. Such work breaks will be compensable and scheduled, as deemed necessary, by an employee's supervisor or designated representative.

An employee will be provided time for meals when working a regular full-time day. Meal periods will be for 30 minutes or more and will not be compensated. Therefore, employees

Lowell Light and Power

may leave their work area during this period. Length and time of meal periods are scheduled, as deemed necessary, by an employee's supervisor or designated representative.

Section 5.4 Overtime, Stand-By and Call-Out

Overtime paid at the rate of time and one-half (1 ½) for time worked beyond 40 hours in one work week and/or all hours on Saturdays. Sundays and time over 12 hours worked in a day shall be paid at double time. The definition of work shall not include paid time off and other paid leave that is taken and paid to the employee. Prior approval of overtime is required by the employer. All Utility employees may be expected to work overtime upon request. Employees who are on standby shall be paid two hours straight time pay during weekdays and three hours straight time pay on weekends and holidays.

Stand-by is considered time an employee is receiving compensation to remain available to report to work when called. All employees whose duties include responding to emergencies are expected to accept stand-by assignments.

Call-Out is considered the time an employee is called in to work before or after his/her regular scheduled work day which is not an extension or continuation of the current work day.

Section 5.5 Overtime, Exempt Employees

In extraordinary situations, exempt employees may be paid a rate of time and one-half of their calculated hourly rate, with the approval of the General Manager. Those situations would consist of hours worked over 50 in a one week period for the purpose of time sensitive projects, outages and natural disasters effecting the safety and welfare of Lowell Light and Power customers and the general public.

Section 5.6 Temporary Supervisor Assignment

An employee shall receive an additional 7.5% pay increase when assuming the regular duties and responsibilities of a supervisor who is not present at work for a period of two (2) or more consecutive weeks.

Lowell Light and Power

Policy 3-6

Personal Time Off (PTO)

Section 6.0 **Personal Time Off (PTO)**

To provide and control personal time off (PTO) for employee's recreational; health and personal needs in a fair and consistent manner and provide emergency income in the event of short-term disability.

This policy is effective upon receipt and supersedes the vacation and sick leave policies previously in place at Lowell Light & Power.

Section 6.1 **Management of PTO**

Employees are responsible for managing their own PTO account. It is important that you plan ahead for how you will use it. This means developing a plan for scheduling your vacations, doctor's appointments and personal business. It also means holding some time in "reserve" for emergencies and illnesses.

Section 6.2 **PTO Scheduling**

All PTO must be **scheduled and approved not less than 24 hours in advance**, except in cases of sudden illness or emergency. Employees must complete a "Request for Time Off" form and have it approved by their supervisor. This allows for your supervisor to prepare for your time off and assure that all staffing needs are met. **Departments must have coverage!** PTO may be taken in hourly or partial hourly increments.

Section 6.3 **PTO-Illness/Emergency**

For cases of sudden illness or emergency employees are granted seven (7) emergency notifications (up to 7 days) of their PTO balance to be used without advance scheduling or supervisor approval. Employees are expected to notify their supervisor before the start of their shift to utilize "emergency PTO" time.

Section 6.4 **PTO Reporting**

Employees are required to report PTO hours taken during each biweekly pay period by recording the PTO hours on an "Hourly" time sheet with the corresponding code to identify the PTO as paid or unpaid, approved or unapproved PTO time. All time not "on duty" must be accounted for by one or more PTO codes to total the employee's normal work week.

Lowell Light and Power

Paid PTO hours taken will be charged against the employee's PTO account balance. Unapproved PTO taken after seven (7) emergency PTO notifications and absences in excess of your available PTO balance will be **unpaid**. Additionally, employees credited with "unapproved" absences may be subject to disciplinary action.

Section 6.5 **Unused PTO and Carry-Over**

Up to five (5) PTO days, earned but not used by the end of the fiscal year, may be carried over to a STD bank as Reserve STD Days (RSTDs). A maximum of 30 RSTDs may be accumulated. If you become disabled, RSTDs may be used to supplement your disability. You must apply and qualify for STD to use RSTDs. Employees off sick more than seven (7) calendar days must apply for short-term disability benefits as provided in the STD plan.

Employees may not receive pay for unused PTO or in lieu of PTO at any time, except for the trade-in of up to five (5) PTO days at the first pay period in December for regular straight-time pay.

Employees may defer up to one-half of their annual PTO entitlement into the following fiscal year not to exceed two (2) weeks in any one year. Requests for PTO deferral must be made no less than **30 days in advance** of the end of the fiscal year. Employees must complete a "Request for PTO Deferral" form and have it approved by their supervisor.

Any unused PTO balance, not deferred or transferred to RSTD bank, in excess of two (2) weeks, at the end of the fiscal year will be dissolved.

Section 6.6 **PTO Purchase Plan**

Employees, regardless of classification, will be offered the opportunity to "purchase PTO" in one (1) day increments with a limit of five (5) days purchased annually. Employees must complete a "Request to purchase PTO" form and have it approved by their supervisor **30 days** prior to the beginning of each fiscal year,

The amount of an employee's salary for the PTO time purchased will be divided by 12 and deducted "pre-tax" for the first 12 pay periods of the fiscal year. The first amount of PTO used after the beginning of the fiscal year will be deducted from the purchased PTO balance.

Section 6.7 **Eligibility & PTO Calculation**

All regular, active full-time employees are eligible to receive annual PTO based on their continuous service.

New employees will earn one (1) day per month for their first year of active employment. They will be eligible to use any portion of earned PTO after six (6) months of active employment.

Lowell Light and Power

Employees hired between the 1st and the 15th day of a given month will receive a full month of PTO, whereas, those beginning employment on or after the 16th day of a given month will start to accrue PTO on the first day of the following month. This policy will apply when calculating new balances each qualifying year and also to terminating employees.

PTO will be awarded on July 1, each year, which is the beginning of the new fiscal year, for all eligible employees regardless of anniversary date. If an employee becomes eligible for additional PTO, based on years of service, during the upcoming fiscal year, the pro-rated value of the additional PTO will be awarded July 1, of that fiscal year.

Except for new employees, all PTO will be available at the beginning of the fiscal year.

Section 6.8 Annual PTO Entitlement – New Employees:

<u>Years of Service</u>	<u>PTO Days</u>	<u>PTO Hours</u>
<1	12	96 (earned at 1 day per month)
1	18	144
2	23	184
7	28	224
12	33	264

Section 6.9 PTO Time Sheet Codes:

- AAP:** All absence time with advance approval by your Supervisor up to your annual PTO balance. If this code is used and not PTO balance is available the code will be corrected to AAU and the absence will be unpaid.
- NAP:** All absence time without prior Supervisor approval, up to seven (7) emergency notifications per fiscal year are allowed, up to seven (7) days.
- NAU:** All absence time, without prior Supervisor approval, after your seven (7) emergency notifications per fiscal year have been used.
- AAU:** All absence time, with advance Supervisor approval, taken after your annual PTO balance is exhausted.

Section 6.10 Voluntary PTO Leave Donation Program

Lowell Light & Power shall establish a Voluntary PTO Leave Bank to which an employee may contribute unused PTO for use by another employee who is experiencing or has experienced a personal or family medical emergency and has used a significant portion of PTO or exhausted

Lowell Light and Power

his or her available PTO. The donation may take place at any time during the fiscal year. By the end of the fiscal year, at the donor's request, any unused donated PTO is either:

- Returned to the original donor(s) at a pro-rated basis using the percentage of the bank total that they contributed;
- Carried over into the next fiscal year

The bank will consist in the form of a dollar amount based on the pay-rate of the donor(s). The recipient(s) will receive donated PTO at his or her pay-rate.

Any donor that has contributed to the Voluntary PTO Leave Bank and experiences a medical emergency for themselves or a family member may request the return of any portion of his or her remaining pro-rated portion of their PTO donation in the event it is still available and he or she has exhausted their available PTO for the emergency period.

Medical Emergency:

Similar to the guidelines of the Family Medical Leave Act (FMLA), as explained in Chapter 7, Section 7.8 of this handbook. LL&P defines a medical emergency when it is likely for an employee to be absent from duty for a prolonged period due to a medical condition of their own or the employee's family member. A family member is defined in the next section.

Family Member:

The definition of *family member* covers a wide range of relationships, including: spouse; parents; parents-in-law; children; brothers; sisters; grandparents; grandchildren; step-parents; step children; foster parents; foster children; guardianship relationships; same sex and opposite sex domestic partners; and spouses or domestic partners of the aforementioned, as applicable.

Available PTO:

Available PTO is the amount of PTO balance that exists at the time the employee begins the eligible leave. It does not include other forms of paid time off (i.e., credit hours under flexible work schedules and compensatory time off).

Application to Become a Leave Recipient:

An employee shall apply in writing to Human Resources to become a PTO Leave Bank recipient. If the employee is not capable of making a written application, a personal representative may make the application on behalf of the employee.

Each application should include:

Lowell Light and Power

- The name and position title of the potential Leave Bank recipient.
- The reasons donated leave is needed, including a brief description of the nature, severity, and anticipated duration of the conditions, and if it is a recurring one, the approximate frequency affecting the potential leave recipient.
- Certification regarding a medical emergency from one or more physicians or other appropriate experts if requested by Human Resources.

Note: When an employee requests a PTO Leave Bank donation for a family member, LL&P may require the employee to document his or her relationship with that family member. LL&P will follow the same documentation requirements for all relationships and have authority to request additional information in cases of suspected leave abuse.

Approval or Disapproval of Application to Become a Leave Bank Recipient:

A potential PTO Leave Bank recipient's supervisor must determine that a full-time employee's absence from duty without available PTO because of the medical emergency is (or is expected to be) at least 8 hours, which may be consecutive or intermittent.

Human Resources must review the employee's application and present to the General Manager for approval. The employee will be notified of the approval or disapproval of the application within five (5) business days after the date the application is received. If disapproved, Human Resources must give the reason for its disapproval.

Use of Donated PTO Leave:

A PTO Leave Bank recipient may use donated leave only for the purposes related to the medical emergency for which the leave was approved. The only exception to this is in the case when an employee has used a significant portion of PTO or exhausted his or her available PTO balance for a qualifying medical leave for themselves or a family member and there are more than **30** days remaining in the fiscal year.

In such cases, the employee may only be eligible to receive donated leave in the amount of 8 hours for every month remaining in the fiscal year not to exceed 80 hours, less any remaining hours the recipient may have left in their PTO bank when returning from his or her emergency leave.

All requested PTO absences after returning to work are subject to approval by the employee's supervisor. Use of donated PTO is intended to provide an employee who has exhausted his or her PTO for a medical emergency the ability to be absent from work for emergency or personal reasons without suffering loss of income.

Limitations on Leave Donations:

Lowell Light and Power

In any fiscal year, an employee may donate up to 80 hours of PTO. In addition, the balance of an employee's contributed PTO can never exceed more than 80 hours in the PTO Leave Bank.

Termination of the Medical Emergency:

The medical emergency terminates when any of the following occurs:

- When the leave recipient's service is terminated;
- At the end of the bi-weekly pay period in which the leave recipient provides written notice that the medical emergency is over;
- At the end of the bi-weekly pay period in which LL&P determines, after written notice to the leave recipient and opportunity for response, that the medical emergency is over; or
- At the end of the bi-weekly pay period in which LL&P receives notice that the leave recipient has been approved for disability retirement.

LL&P will monitor the status of the medical emergency to ensure that it continues to affect the leave recipient to ensure that the leave recipient is fairly receiving PTO from the PTO Leave Bank. When the medical emergency terminates, LL&P may or may not grant further requests for transfer of PTO Leave to the leave recipient.

Even though an employee may not be affected currently by a medical emergency, LL&P may deem a medical emergency to continue for the purpose of providing a leave recipient time to receive adequate donations of leave (for example, to compensate for a previous period of PTO Leave which exhausted the employee's PTO or to liquidate an indebtedness for payroll deductions).

Restoration of Unused Donated PTO Leave:

Any unused donated PTO Leave remaining to a leave recipient's credit on termination of the medical emergency must be restored to the PTO Leave Bank of the donors.

Once transferred, PTO Leave is restored to the PTO Leave Bank, the PTO Leave is treated the same as other PTO Leave and becomes subject to the annual PTO Leave carryover limitation of the donor(s). A leave donor can also opt to have this leave donated in-all or in-part to the Voluntary PTO Leave Bank.

Section 6.11 Separation

Employees are required to provide a minimum of two (2) weeks' notice of intent to terminate employment. Failure to provide a minimum notice will result in loss of payment for any accrued paid time off unless waived by the General Manager. Employees with one (1) year or more of continuous service shall be paid for any remaining PTO and RSTD balance awarded at the beginning of the current fiscal year.

Lowell Light and Power

Policy 3-7

Absence Time

Section 7.0 Attendance Expectations

Reliability is one of the most important expectations the Utility requests from its employees. Efficiency and productivity are essential to the success of Lowell Light & Power. Being there for our business partners, co-workers, customers and the general public is the reason we exist. Employees are expected to be at their workplace and ready to work at the beginning of their start time and remain on duty until the end of their shift. The only exceptions are work breaks, meal periods and personal time off (PTO). Excessive tardiness and absences will have a direct impact on your performance evaluations, eligibility for promotion and continued employment.

Section 7.1 Absence Reporting

For cases of sudden illnesses or emergencies employees are granted seven (7) notifications, up to seven (7) days, of their Personal Time off (PTO) to be used without advance scheduling or supervisor approval. Employees are expected to notify his/her supervisor at least one (1) hour before the start of their shift to utilize "emergency PTO" time. Failure to report an absence may result in disciplinary action up to and including discharge.

Section 7.2 Paid Leaves of Absence

All regular full-time employees shall be granted Personal Time off (PTO) at the beginning of each fiscal year based on their continuous service. New employees will be granted PTO on a pro-rated basis as described in the Personal Time off Policy. All requests for personal time off must be made to your supervisor at least 24 hours in advance of the date requested except in cases of sudden illness or emergency. The supervisor may approve or deny the request based on the needs of service. Full Details of this policy is available in Chapter 8, Personal Time Off.

Section 7.3 Unpaid Leaves of Absence

A regular, active employee may be granted a period of up to 26 weeks of unpaid leave of absence. Such requests must be in writing, signed by the employee, state the reason for the leave and submitted to the General Manager for approval. Reasons for unpaid leaves include the purpose of education and training, in addition to the corresponding reasons associated with the Family and Medical Leave Act (FMLA), and would run concurrently with a FMLA leave which is 12 weeks.

Lowell Light and Power

Section 7.4 Illness Time Off

After an employee has used his/her total seven (7) notifications, up to seven (7) days, of sudden illnesses/emergencies in a fiscal year, the first day off for illness will be unpaid. Subsequent days off for illness may be paid, at the employee's request, by using any available remaining PTO days or Reserved Short-Term Disability days (RSTDs, see Chapter 8, Section 6). After the seventh (7th) calendar day off for illness, the employee must apply for Short-Term Disability as described in Section 6.4.

Section 7.5 Right to Require Proof

An employee's supervisor reserves the right to require proof of illness after three (3) consecutive days of absence or upon the fourth (4th) occasion of illness within a 12 month time period. Excessive absences and absences without acceptable proof of illness may result in disciplinary action up to and including discharge.

Section 7.6 Short-Term Disability

All active, regular full-time employees, after 30 days of active employment, are eligible to receive Short-Term Disability (STD) benefits. The Utility pays the entire cost of this coverage.

An employee needs to be totally disabled continuously for seven (7) calendar days before STD benefits are payable for a sickness or if total disability begins later than 72 hours after an accident.

No waiting period is required to qualify for benefits if total disability occurs within 72 hours after an injury involving an accident.

The amount of pay an employee receives, upon determination of eligibility, is 60% of his/her total weekly earnings, not to exceed the maximum weekly benefit of \$1250. Total weekly earnings is the amount an employee earned immediately before the first date of his/her disability began averaged over the previous 12 month period of employment or averaged from the date of employment, whichever is less. Total weekly earnings do not include commissions, bonuses, overtime pay or any other extra compensation.

The maximum time period an employee may receive STD benefit payments is 13 weeks.

Section 7.7 Long-Term Disability

All active, regular full-time employees, after 30 days of active employment, are eligible to receive Long-Term Disability (LTD) benefits. The Utility pays the entire cost of this coverage. An employee is eligible to receive LTD benefits when he/she is totally or partially disabled continuously for 90 days or at the end of the STD maximum benefit period, whichever is later.

Lowell Light and Power

The amount of pay an employee receives, upon determination of eligibility, is 60% of his/her total weekly earnings (as described above in Sec 9.5), not to exceed the maximum monthly benefit of \$6000. The minimum monthly benefit is \$100.

Additional details regarding this benefit are described in Chapter 6, section 5, Employee Benefits.

Section 7.8 Family and Medical Leave Act (FMLA)

In accordance with the Family and Medical Leave Act (FMLA) of 1993; employees who have been employed for at least 12 months and completed at least 1,250 hours of service during the immediate preceding 12 months are eligible for a leave of absence for any one or more of the following:

- a) For incapacity due to pregnancy, prenatal medical care or child birth;
- b) To care for the employee's child after birth, or placement for adoption or foster care;
- c) To care for the employee's spouse, son, daughter, or parent with a serious health condition; or
- d) For a serious health condition that makes the employee unable to perform the employee's job.

An eligible employee is entitled to a total of 12 work weeks of leave during a "rolling" 12-month period.

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy or a chronic condition. Other conditions may meet the definition of continuing treatment.

An employee requesting a leave of absence under this section shall provide written notice as soon as practicable to his/her supervisor providing sufficient information for the Utility to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave.

Sufficient information may include that the employee is unable to perform job functions; the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the Utility if the requested leave is for a reason for which

Lowell Light and Power

FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for the leave.

During FMLA leave, the Utility must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

An employee must utilize all available paid leave prior to going on unpaid leave. Additionally, an employee who is off work due to an illness or injury for a period of two (2) work weeks or longer will have their leave automatically considered as FMLA and deducted from the 12 week entitlement for the current 12 month period.

Section 7.9 Military Family and Medical Leave Act (FMLA)

The Utility abides by all state and federal statutes and regulations regarding the rights of employees to leaves of absence and return for military active duty or training.

Section 7.10 Holidays

Regular full-time and part-time employees are eligible for holiday pay when they satisfy all the following conditions and qualifications:

- a) An employee must work all his/her scheduled hours on his/her last regularly scheduled workday before the holiday and on the first regularly scheduled work day after the holiday or be on approved, paid absence (PTO).
- b) An employee must be on the active payroll as of the date of the holiday. For purposes of this section a person is not on the active payroll during unpaid leaves of absences, Short-Term Disability, Long-Term Disability, while receiving Workers' Compensation or on a disciplinary suspension.
- c) An otherwise eligible employee who is required to work on a recognized holiday but fails to report and perform all required work shall not receive any holiday pay for such holiday.

All eligible exempt and non-exempt employees shall receive holiday pay for each recognized holiday in an amount equal to the number of hours normally worked on that day or the amount to equal the total average of hours worked in a normal work week. All holiday pay shall be at the employee's regular straight-time rate.

The following are days recognized as holidays by the Utility:

New Years Day
President's Day
Good Friday

Labor Day
Thanksgiving Day
Day after Thanksgiving

Lowell Light and Power

Memorial Day
Fourth of July

Christmas Eve
Christmas Day

When New Year's Day and Christmas Day fall on a Saturday, they will be observed on the preceding Friday and Christmas Eve will be observed on Thursday. When the Fourth of July or Christmas Eve fall on a Saturday, they will be observed on the preceding Friday. When New Year's Day, Fourth of July or Christmas Day fall on a Sunday, they will be observed on the following Monday. When Christmas Eve falls on a Sunday, it will be observed on the following Monday and Christmas Day will be observed on the following Tuesday.

Section 7.11 Jury Duty

An employee that is summoned by a court to serve as a juror will be not suffer loss of straight-time pay for the period of his/her jury duty. For each day of service as a juror the employee would have worked, he/she will receive the difference between his/her regular rate of pay for the number of hours he/she was scheduled to work on that day and the amount he/she received from the court, excluding mileage reimbursements. To be eligible for jury duty pay from the Utility, you must:

- a) Be a regular full-time or regular part-time employee.
- b) Give your supervisor reasonable advanced notice of the date you are required to report for jury duty.
- c) Give satisfactory evidence that you served as a juror in court on the day you were absent from work.
- d) Return to work promptly after being excused from jury duty service.

Section 7.12 Funeral Attendance

An employee will be granted up to three (3) consecutive days leave, without loss of regular straight-time pay, to attend the funeral an immediate family member. "Immediate family" is considered the employee's spouse, children, mother, father, sister, brother, grandparents, grandchildren, father-in-law, mother-in-law, sister-in-law and brother-in-law. In the event the funeral takes place out-of-state and/or considerable travel is necessary, the employee will be granted up to two (2) additional days of leave. The employee may choose to receive pay for the additional time by using any available PTO balance or be unpaid.

In addition, funeral leave shall be granted for employees to attend the funeral of a LL&P co-worker or a co-worker's spouse, subject to the operational needs of the Employer as determined by the General Manager.

Lowell Light and Power

Policy 3-8

Grievance Procedure

Section 8.0 **Grievances**

In the event an employee has a complaint or concern involving his/her employment, the grievance procedure is available in an attempt to reach a resolution.

Section 8.1 **Grievance Procedure**

- 1) **Step 1 Informal Procedure to Supervisor:** An employee with a complaint or concern shall discuss the matter with his/her supervisor. The supervisor will provide an oral and/or written answer to the grievant within five (5) working days from the discussion date. Every effort will be made to settle the matter in this manner.

- 2) **Step 2 Formal Procedure to the General Manager:** If the complaint or concern is not settled satisfactorily at Step 1, the employee must present the complaint or concern as a formal grievance, in writing, to the General Manager within five (5) working days from the receipt of the informal response from the supervisor. The grievance must be signed by the employee presenting the grievance and state the following:
 - I. A statement of details and facts describing the nature of the grievance.
 - II. The date and response the employee received from the informal process in Step 1.
 - III. A proposed resolution of the grievance.

The General Manager will schedule a conference with the employee to discuss the grievance and respond with a decision in writing within seven (7) working days from the conference date. The decision of the General Manager on any disciplinary matters, excluding any disciplinary suspension of more than five (5) working days up through discharge, only, shall be final.

- 3) **Step 3 Appeal Procedure to the Board:** For matters involving a disciplinary suspension of more than five (5) working days, discharge or policy interpretation, it may be appealed to the Utility Board within seven (7) working days of the General Manager's written response. The employee must submit the grievance appeal to the Utility Board in the same manner as described in Step 2. The Personnel Committee will schedule a conference with the employee to discuss the grievance within thirty (30) working days of receipt of the appeal. After meeting with the employee, the Personnel Committee

Lowell Light and Power

will prepare a report on the merits of the grievance for submission to the Utility Board at its next regularly scheduled meeting. The decision of the Utility Board shall be final.

Nothing in this Grievance Procedure changes, or is intended to change, the at-will status of employees.



Lowell Light and Power

Policy 3-9

Workplace Safety

Section 9.0 **Accident Reporting Procedure**

Employees must promptly report unsafe behavior and working conditions, safety hazards, property damage, personal injuries and illnesses which arise out of and in the course of employment; even though you may not feel medical attention is required. Failure to report an incident where future medical attention is required may result in denial of benefits under the State of Michigan's Workers' Compensation Law.

The employee's supervisor will make arrangements for the employee to receive medical treatment, if necessary, from a physician or medical care facility approved by the Utility. The employee is not to seek medical treatment directly from his/her own physician without prior approval from a supervisor. Failure to comply with the proper medical treatment procedure may result in denial of benefits under the State of Michigan's Workers' Compensation law. The supervisor, along with the employee, must complete and sign the Utility's "Workplace Injury/Illness Report Form". The supervisor will follow the instructions on the form for processing.

In the event an accident involves another vehicle or equipment not owned by the Utility, the employee(s) involved should obtain as much information as possible regarding the other party and/or property. If a police report is prepared, obtain information from the reporting officer; e.g.; the report number, name of the police agency responding to the call, the officer's name.

Lowell Light and Power

Policy 3-10

Miscellaneous

Section 10.0 Travel & Business Expense Reimbursement

This policy contains guidance and limits for all travel while conducting business and fulfilling work assignments. While Lowell Light & Power (Utility) hopes that the experiences regarding these occurrences are pleasurable and gratifying, we also must be reasonable. This policy will reflect our collective responsibility to conduct business in a financially responsible manner.

General Guidelines

These policies and procedures are designed to act as a guideline for business travel and miscellaneous expense reimbursements. They are based on practices employed by most organizations of our size and take into consideration what is considered reasonable and customary. While this policy does contain suggested expense limits, we challenge all employees/ board members to use professional judgment when incurring expenses on behalf of the Utility. This policy recognizes that, in some isolated cases, business related expenses might need to be reviewed on a case-by-case basis; however, this primarily applies if the expense in question was not discussed in this policy.

This policy is designed to accomplish the following key points:

- Ensure all employees/ board members have a clear and consistent understanding of policies and procedures for business and travel expenses.
- Ensure employees/ board members are reimbursed for legitimate business travel and other approved expenses.
- Provide employees/ board members who must travel with a reasonable level of service and comfort at the lowest possible cost.
- Maximize the Utility's ability to negotiate discounted rates with preferred suppliers and reduce travel expenses.
- Provide the appropriate level of accounting and business controls for the Utility to ensure that expenses are reviewed and approved by the appropriate person.

Responsibility

The traveler is responsible for complying with the Lowell Light & Power Travel Policies. The supervisor who approves and signs expense reports is responsible for accurately reviewing expense reports for compliance. The Utility assumes no obligation to reimburse employees/ board members for expenses that are not in compliance with this policy. Any changes to this policy must be presented to the Board for approval and noted as a policy change.

Lowell Light and Power

Enforcement

Employees/ board members who do not comply with this policy may be subject to delay or withholding of reimbursement and/or disciplinary action.

Alcoholic Beverages

The Utility's policy is to abstain from consuming alcoholic beverages during business hours or performing a service required by the Utility during its normal course of duty. Therefore, alcoholic beverages are not a reimbursable business expense. Additionally, an employee/board member, who is arrested and convicted for *Driving Under the Influence* while in the performance of Lowell Light & Power business, or when returning from a business function, is subject to disciplinary action up to and including termination.

Documentation Requirements

Employees/board members must provide the following information and attach to a completed Expense Report, signed and approved by your Supervisor:

- Purpose of travel
- Name, location and date of Conference, Meeting or Seminar
- Meals – Original itemized receipts showing the charges, name and location of restaurant (this includes room service charges)
- Receipts are to be provided for any individual expenditures in of excess of \$25; including; tolls, taxi fares, shuttle busses, parking fees
- Air/Rail – original passenger receipt
- Hotel – hotel itemized receipt
- Car Rental – credit card receipt or rental agency invoice

Cash Advance/Per Diem

Employees/board members may receive a cash advance for business travel based on the regular federal per diem allowance for meals and incidental expenses while traveling away from home when overnight lodging is provided by the Utility. The rates are different for different locations. A copy of the appropriate IRS rate schedule should be attached to your Cash Advance request. These rates are determined in IRS publication 1542, which gives the rates in the continental United States for the current year. It is available on the Internet at www.irs.gov. To avoid taxability, the employee/board member needs to comply with the same documentation requirements as reimbursement of expenses. Any amount advanced that is not accountable with proper documentation of expense must be returned to the Utility or considered taxable income. For partial days of travel when overnight lodging is not required, a partial per diem allowance rate will be advanced by prorating the regular federal per diem allowance appropriate to the period of time the travel takes place.

Lowell Light and Power

Incorrect or Incomplete Expense Reports

Expense reports that are incorrect, incomplete or include disorganized receipts:

- Will be returned to the employee/board member for completion
- May result in delay or non-reimbursement

Disregard for Lowell Light & Power Travel Policy or altering of receipts may result in disciplinary action up to and including termination.

Business Use of Personal Vehicle

Employees/board members may be required to use their personal vehicle for Lowell Light & Power travel, at the discretion of the employee's supervisor, when a Utility vehicle is unavailable for use. It is the personal responsibility of the vehicle owner to carry adequate insurance coverage for their protection and for the protection of any passengers. The Employee Travel Policy requires that employees who use their personal vehicle for business maintain minimum of \$100,000/\$300,000 bodily injury coverage and \$50,000 property damage coverage on their vehicles.

Mileage is reimbursed at the rate established by the IRS. This mileage allowance is in lieu of actual expenses for gasoline, oil, repairs, tags, insurance and depreciation. Therefore, actual expenses for those items will not be reimbursed when your personal vehicle is used for business travel.

For the purpose of consistency, the start location of any business travel will commence at the main building located at 127 N Broadway St. The ending location will be the address of the designated business location or airport where the employee/board member is required to report. In the event it is necessary for the employee/board member to travel to more than one location during the day's events (e.g.; restaurant, hotel, meeting facility) incidental mileage will be reimbursed for actual miles driven not to exceed 10 miles during one business day, unless there is a documented reason for excess mileage. To be reimbursed for the use of your personal vehicle for business travel, employees/board members must list on the expense report:

- Date and purpose of the trip
- Locations traveled to and from
- Mileage is determined by MapQuest or comparable mileage data source if necessary and a copy attached to your Expense Report.

Lodging/Hotel

Hotel reservations should be made in such a manner as to secure the best available rate.

Employees /board members are required, whenever possible, to use properties in the "moderate" category.

Lowell Light and Power

Meals

Personal meals are defined as meal expenses incurred only by the employee/board member when dining on an out-of-town business trip.

Business Meals Taken with Other Employees

Employees/board members will be reimbursed for business-related meals taken with other employees only in the following circumstances:

- When a client is present
- When at least one Utility employee/board member is from out-of-town
- When, for discretionary reasons, business must be conducted off the Utility premises.

The following documentation is required by the IRS, and must be recorded on the expense report and/or supporting receipts:

- Names of individuals present, their titles and company name
- Name and location of where the meal or event took place
- Exact amount and date of the expense.

Miscellaneous Expenses

The Miscellaneous column is designated for expenses that do not fit into the previous categories, yet are directly business related and therefore, reimbursable. The following items can be considered as reimbursable business expenses:

- Office services (e.g.; faxes, copies, overnight delivery/postage)
- Toll fees, taxi fares, shuttle busses and parking fees
- Laundry/Dry Cleaning/Suit Pressing for trips exceeding 3 days
- Seminar fees/training classes with prior management approval

The following items are NOT reimbursable under this policy:

- Airline Club/Country Club membership dues
- Parking tickets or other fines
- Delinquency fees/Finance charges for personal credit cards
- Excess baggage charges
- All direct travel expenses for companions/family members accompanying an employee
- Expenses related to vacation or personal days while on a business trip
- Loss/Theft of personal funds or property/lost luggage
- Non-compulsory insurance coverage

Lowell Light and Power

- Rental car upgrades
- Repairs due to accidents
- Excessive mini-bar charges (including any alcohol)
- Hotel in room movies, games or other like entertainment

Never assume that an item will be covered under the “Miscellaneous” category. Be sure to check with your supervisor or the General Manager if an item you need is not outlined specifically in this policy.

Approval/Authorization Process

The employee’s supervisor must approve all expense reports. No employee is authorized to approve his/her own, a peer’s, or a supervisor’s expense report. Board member’s expense reports are approved by the General Manager. The supervisor/General Manager is responsible for verifying:

- Business purpose
- Correct totals
- Supporting documentation and receipts
- Policy compliance

Once approval has been obtained, be sure to make a copy of the signed report along with copies of your receipts for your own records.

Section 10.1 Expense Reports

Expense reports are to be submitted to your supervisor no later than thirty (30) days after a reimbursable expense occurs.

The supervisor must approve all expense reports. No employee is authorized to approve his/her own, a peer’s, or a supervisor’s expense report. Board member’s expense reports are approved by the General Manager. The supervisor/General Manager is responsible for verifying:

- Business purpose
- Correct totals
- Supporting documentation and receipts
- Policy compliance

Once approval has been obtained, be sure to make a copy of the signed report along with copies of your receipts for your own records.

Lowell Light and Power

Section 10.2 Company Credit Card

The Board recognizes that the efficient and economical operation of the utility is enhanced by the staff's ability to conveniently transact business with a broad range of vendors and services. Therefore, the Boards have determined that it is appropriate for designated managers and staff members to use Board-approved credit cards for those purchases necessary to conduct the business of the utilities. The complete policy is located in the **Customer Account, Billing and Administrative Policies, Policy 5-14**, and provided to employees who are issued a credit card.

Section 10.3 Prohibited Benefits

Employees are prohibited from accepting gifts, discounts, or benefits from vendors and customers due to their employment with Lowell Light & Power.

This Personnel Handbook was originally approved and instituted in December of 2010.

*Approved and instituted on January 26, 2015, to coincide with the Working Agreement of IBEW Local 876.

**Approved and instituted on December 8, 2016.

***Approved and instituted on September 14, 2017